

EXHIBIT A

FILED
IN THE CIRCUIT COURT FOR DAVIDSON COUNTY, TENNESSEE

2012 APR 27 PM 4:24

RICHARD R. ROGERS, CLERK

AFC SOUTH, INC., d/b/a ROCK HARBOR
MARINE,

B.C.

Plaintiff,

v.

THE TRAVELERS INSURANCE
COMPANIES, THE CHARTER OAK FIRE INSURANCE COMPANY,
ST. PAUL FIRE & MARINE INSURANCE,
and ANCHOR INSURANCE AGENCY,
INC.,

JURY DEMAND

Defendants.

COMPLAINT

The Plaintiff AFC South, Inc., d/b/a Rock Harbor Marine, for its Complaint against Travelers Corporation, The Charter Oak Fire Insurance Company, St. Paul Fire & Marine Insurance and Anchor Insurance Agency, Inc. states as follows:

1. Plaintiff AFC South, Inc. is a Tennessee corporation which does business as Rock Harbor Marine. The business address is 525 Basswood Drive, Nashville, Tennessee 37209.
2. Defendant The Travelers Insurance Companies is a corporation whose principal place of business is at One Tower Square, Hartford, Connecticut 06183. Defendant The Charter Oak Fire Insurance Company is a corporation whose principal place of business is One Tower Square, Hartford, Connecticut 06183. Defendant St. Paul Fire & Marine Insurance is a corporation whose principal address is One Tower Square, Hartford, Connecticut 06183. (These

Defendants will be collectively referred to herein as "the Insurance Company Defendants").

Their registered agent for service of process is the Tennessee Commissioner of Insurance.

3. This Court has jurisdiction over each of the Insurance Company Defendants because they regularly engage in business within the State of Tennessee and because they have entered into contracts of insurance covering property and risk located in Tennessee. This lawsuit arises out of their transaction of such business within the State of Tennessee.

4. Defendant Anchor Insurance Agency, Inc. ("Anchor") is a corporation with its principal place of business at 12211 Old Shelbyville Road, Louisville, Kentucky 40243. This Court has jurisdiction over this defendant due to its transaction of business in the State of Tennessee, including the solicitation, negotiation and selling of the insurance policies at issue in this case.

5. Venue and subject matter jurisdiction are proper in this Court.

6. Defendant Anchor is an authorized agent for the group of insurance companies that are owned and do business under the umbrella of the name and trademarks of "Travelers." Defendant Anchor through its authorized agents, including Robert M. Calvert, procured the insurance policies that are the subject of this action for Plaintiff from the Travelers group of insurance companies.

7. Upon information and belief, Defendant Travelers Insurance Companies is the parent company for the other insurance companies named as defendants herein. All of the Defendant Insurance Companies do business under the name and trademark of "Travelers."

8. The Insurance Company Defendants issued commercial insurance policies to Plaintiff AFC South, Inc. that insured the real property and certain personal property owned by Plaintiff and used in Plaintiff's business, Rock Harbor Marine, located at 525 Basswood Drive,

Nashville, Tennessee. The insurance policies provided by these defendants also insured against the risk of loss of business income or business interruption caused by certain specified occurrences or events. A copy of these insurance policies as received from the Insurance Company Defendants is attached hereto as Exhibit A.

9. The insuring company for the commercial property coverage was listed as Defendant The Charter Oak Fire Insurance and the insuring company for the docks and piers coverage was listed as Defendant St. Paul & Marine Insurance Company. Upon information and belief, both of these companies are owned and controlled by Defendant The Travelers Insurance Companies.

10. The Insurance Company Defendants agreed to insure the docks and piers located at Plaintiff's business at 525 Basswood Drive, Nashville, Tennessee. The docks and piers which were covered and the limits of such coverage was listed in the Floating Dock Schedule which is part of the insurance policies provided by the Defendants. The total limits of coverage for these docks, piers and related property were \$4,390,000, with a business income limit of \$300,000.

11. According to the terms of the insurance policies at issue, the property covered by the docks and piers portion of the policy was insured on a replacement cost basis. Plaintiff chose and paid for the replacement value instead of the alternative, actual cash value coverage. This portion of the insurance policy provided there was to be no deduction for depreciation. The policy also specifically covered damage caused by flood or surface water.

12. The property insured by the above-described insurance policies and owned by Plaintiff was severely damaged by flooding that occurred on May 1, and May 2, 2010. Plaintiff's business was disrupted and damaged by the flood for a significant period of time and suffered a loss of business income that has continued through the present day.

13. Plaintiff has made claims to the Insurance Company Defendants for payment of the losses it suffered as a result of the flood which are covered under the insurance policies which are the subject of this action.

14. Despite the fact that these losses were covered by the insurance policies purchased from the Insurance Company Defendants, these Defendants have to date refused to pay the full amounts that are due and payable under the terms of these policies. Plaintiff has only received partial and incomplete payment for the covered losses.

15. Plaintiff has made repeated demand for the full payment that it is owed. Plaintiff has given timely notice of its claims and otherwise complied with the applicable terms and conditions of the insurance policies.

16. The Insurance Company Defendants have been unwilling and have refused to pay the full amount that is owed to Plaintiff under the insurance policies it purchased from the Defendants. Defendants have taken unreasonable positions that are inconsistent with, and not supported by, the terms of the insurance policies. The Defendants' refusal to pay the amounts owed and the delay in doing so has caused additional harm to Plaintiff and particularly to its business.

17. The items that the Insurance Company Defendants have failed to pay include, but are not limited to, the following:

- (a) damage to the Travelift;
- (b) the full replacement or repair value for the barge that contains an office for Plaintiff's business;
- (c) the full amount of the replacement or repair value for certain of the docks listed in the dock and pier coverage;

- (d) the full amount owed under the business income coverage; and
- (e) the full amount owed to Plaintiff for other items of damage that were covered under the terms of the policies, up to the limits of those policies.

18. Plaintiff has made demands for full payment and has attempted to resolve these disputes with the Insurance Company Defendants and their agents. To date, such efforts have been unsuccessful, with only partial payment being made.

19. One of the provisions in the Commercial Property Conditions section of the insurance policies purports to limit Plaintiff's right to file a legal action unless it is brought within two years after the loss or damage occurred. Plaintiff is concerned that the Insurance Company Defendants will further delay the resolution of its claims past the two year time period and then attempt to rely upon this provision to argue that some portion of Plaintiff's legal recourse is lost. Plaintiff requested an extension of time to resolve the disputed items but the request was refused.

20. The actions of the Insurance Company Defendants have caused damage to the Plaintiff and its business. The damages include the amounts that it is entitled to receive based upon the insurance coverage provided, up to the limit of \$4,390,000 for the property and \$300,000 for loss of business income for the docks and piers portion of the policies, the amounts owed for other items of damage caused by other portions of the insurance policies up to the applicable limits and the additional damages caused by Defendants' refusal and delay in paying Plaintiff for its losses, in an amount to be determined at trial.

COUNT I

BREACH OF CONTRACT

21. Plaintiff incorporates by reference each of the allegations set forth in Paragraphs 1 through 20 above as if expressly set forth herein.
22. The damage caused to Plaintiff and its property by the flooding has resulted in damage exceeding Three Million Dollars and falls plainly within the coverage afforded by the insurance policies issued to Plaintiff by the Insurance Company Defendants.
23. Plaintiff has complied with the applicable terms of these insurance policies.
24. The Insurance Company Defendants have breached the terms of the insurance contract with Plaintiff by their actions as set forth hereinabove and by failing to pay the entire amount of the covered loss that Plaintiff has suffered.
25. As a direct and proximate result of these breaches, Plaintiff has suffered damage in an amount to be determined at trial.

COUNT II

DECLARATORY RELIEF

26. Plaintiff incorporates by reference each of the allegations set forth in Paragraphs 1 through 25 above as if expressly set forth herein.
27. The Insurance Company Defendants have declined to pay the full amount owed for a number of items of damaged property covered under the insurance policies. The Insurance Company Defendants imposed unreasonable conditions or requirements that are not part of the insurance contract. Defendants' proposals to settle Plaintiff's claims have included deductions for depreciation and other adjustments that are contrary to the terms of the policies.

28. The Insurance Company Defendants have been unwilling to pay Plaintiff the full amount required under the insurance contract for loss of business income and has wrongfully excluded certain portions of the business from their calculations on this portion of the claim.

29. An actual and justifiable controversy exists between Plaintiff and the Insurance Company Defendants regarding the proper interpretation of the terms of the policies and the coverage they provide as well as the proper interpretation of the conditions, deductions and exclusions that Insurance Company Defendants have sought to impose.

30. Plaintiff requests this Court enter an Order declaring the parties' respective rights and obligations under the insurance policies so that Plaintiff can receive full and final payment of the amounts owed.

COUNT III

BAD FAITH FAILURE TO PAY

31. Plaintiff incorporates by reference each of the allegations set forth in Paragraphs 1 through 30 above as if expressly set forth herein.

32. The amounts that Plaintiff seeks to recover for damage to its property and business are clearly covered by the insurance policies at issue.

33. The Insurance Company Defendants have refused to pay the full amount of the covered losses within sixty (60) days after demand made by Plaintiff. Defendants' refusal to pay the loss was not in good faith and amounts to bad-faith refusal to pay within the meaning of Tennessee Code Annotated § 56-7-105.

34. The Insurance Company Defendants' bad faith failure to pay has caused Plaintiff to incur additional expense, loss and injury, including having to hire and pay attorneys to

represent it. Because of the Insurance Company Defendants' bad faith actions, as set forth previously in this Complaint, Plaintiff is entitled to compensatory damages, and in addition to the loss and such damages, an additional amount of twenty-five percent (25%) of the liability for the loss as provided in the above-cited statute.

COUNT IV

FAILURE TO PROCURE INSURANCE

35. Plaintiff incorporates by reference each of the allegations set forth in Paragraphs 1 through 34 above as if expressly set forth herein.

36. Defendant Anchor represented and held itself out to Plaintiff as having special expertise and experience in obtaining insurance coverage for marinas and businesses similar to Plaintiff's business.

37. Based upon such representations, Plaintiff employed Defendant Anchor to obtain insurance coverage for Plaintiff's property and its business. Defendant Anchor was aware of Plaintiff's special needs and requirements and agreed to obtain such insurance for Plaintiff and its business.

38. Plaintiff specifically made known to Defendant Anchor that it wanted coverage based upon replacement value that would not include deductions for depreciation.

39. Plaintiff relied upon Defendant Anchor's representations and its experience and expertise in this area to obtain insurance coverage that was appropriate for Plaintiff's property and business and was consistent with the expressed wishes and needs of Plaintiff.

40. Defendant Anchor agreed to obtain the requested insurance for Plaintiff and had a duty to do so. Defendant Anchor procured the insurance policies that are the subject of this action through the Defendant Insurance Companies.

41. As set forth previously herein in more detail, the Defendant Insurance Companies are taking positions that are inconsistent with what Defendant Anchor represented and agreed that it would and had obtained for Plaintiff.

42. Based upon the positions taken by the Defendant Insurance Companies, the insurance coverage obtained by Defendant Anchor for Plaintiff is not consistent with the insurance requested by Plaintiff and does not adequately protect Plaintiff's property and business. Accordingly, Defendant Anchor has breached its agreement with Plaintiff and has breached its duties to Plaintiff. Defendant Anchor failed to use reasonable care and was negligent in its failure to obtain the proper insurance for Plaintiff.

43. Such failure has proximately caused damage to Plaintiff in an amount to be proven at trial.

COUNT V

NEGLIGENT MISREPRESENTATION

44. Plaintiff incorporates by reference each of the allegations set forth in Paragraphs 1 through 43 above as if expressly set forth herein.

45. Defendant Anchor and its authorized agents were acting in the course of its regular business when Plaintiff employed it to obtain insurance for its property and business.

46. Plaintiff asked Defendant Anchor to obtain suitable insurance coverage for its property and business and specifically asked Defendant Anchor to obtain insurance coverage

based upon replacement value, without deduction for depreciation. Defendant Anchor assured Plaintiff that it had done so and that the insurance policies obtained met those requirements.

47. As stated previously herein, the Defendant Insurance Companies have refused to pay Plaintiff for the replacement value for the damaged property and taken other positions that, if allowed, would make the representations and assurances given by Defendant Anchor to Plaintiff false. Defendant Anchor was negligent and failed to use reasonable care in providing those assurances and representations to Plaintiff.

48. Defendant Anchor provided these representations and assurances about appropriate coverage and replacement value to Plaintiff to guide Plaintiff in its business decision. Plaintiff justifiably relied upon Defendant Anchor and the information provided it.

49. As a result of Defendant Anchor's negligent misrepresentation, Plaintiff has suffered a financial loss in an amount to be determined at trial.

WHEREFORE, PLAINTIFF AFC SOUTH, INC., d/b/a ROCK HARBOR MARINE, PRAYS this Court for the following relief:

1. Actual and compensatory damages in an amount to be determined at trial;
2. Declaratory relief as set forth above;
3. In addition to the loss and any applicable interest, a sum of twenty-five percent (25%) on the liability for the loss pursuant to Tennessee Code Annotated § 56-7-105;
4. Prejudgment interest on the amount awarded at the highest lawful rate;
5. An award of attorneys' fees and expenses;
6. Such other and general relief as the Court deems just and proper.

JURY DEMAND

Plaintiff requests a trial by jury on all issues so triable.

Respectfully submitted,

NEAL & HARWELL, PLC

By: Ronald G Harris

Aubrey B. Harwell, Jr., #2559

Ronald G. Harris, #9054

2000 One Nashville Place

150 Fourth Avenue, North

Nashville, TN 37219-2498

(615) 244-1713 - Telephone

(615) 726-0573 - Facsimile

Counsel for Plaintiff AFC South, Inc.

I hereby certify that this is a true copy
of original instrument filed in my office
this 30th day of April 2012

RICHARD R. ROOKER Clerk

By

[Signature]
Deputy Clerk

FILED

2012 APR 27 PM 4:24

RICHARD R. ROOKER, CLERK

D.C.

TRAVELERS

[Signature]

Report Claims Immediately by Calling*

1-800-238-6225

*Speak directly with a claim professional
24 hours a day, 365 days a year*

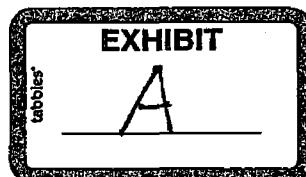
*Unless Your Policy Requires Written Notice or Reporting

COMMERCIAL INSURANCE



A Custom Insurance Policy Prepared for:

AFC SOUTH, INC.
DBA: ROCK HARBOR MARINA
525 BASSWOOD DRIVE
NASHVILLE TN 37209



Presented by: ANCHOR INSURANCE AGENCY

004147



One Tower Square, Hartford, Connecticut 06183

TRAVELERS CORP. TEL: 1-800-328-2189

COMMON POLICY DECLARATIONS

ISSUE DATE: 05/13/10

POLICY NUMBER: H-660-4993N533-COF-10

INSURING COMPANY:

THE CHARTER OAK FIRE INSURANCE COMPANY

1. NAMED INSURED AND MAILING ADDRESS:

AFC SOUTH, INC.
DBA: ROCK HARBOR MARINA
525 BASSWOOD DRIVE
NASHVILLE, TN 37209

2. POLICY PERIOD: From 04/27/10 to 04/27/11 12:01 A.M. Standard Time at your mailing address

3. LOCATIONS

Premises	Bldg.	Loc. No.	No.	Occupancy	Address
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SEE IL TO 03

4. COVERAGE PARTS FORMING PART OF THIS POLICY AND INSURING COMPANIES:
COMMERCIAL PROPERTY COV PART DECLARATIONS CP TO 11 01 03 COF
COMMERCIAL INLAND MARINE COV PART DECLARATIONS CM TO 01 07 86 COF

5. NUMBERS OF FORMS AND ENDORSEMENTS

FORMING A PART OF THIS POLICY: SEE IL T8 01 10 93

6. SUPPLEMENTAL POLICIES: Each of the following is a separate policy containing its complete provisions:

Policy Policy No. Insuring Company

7. PREMIUM SUMMARY

Provisional Premium	\$ 9,244
Due at Inception	\$ 9,244
Due at Each	\$

NAME AND ADDRESS OF AGENT OR BROKER

ANCHOR INSURANCE AGENCY (CPX17)
12211 OLD SHELBYVILLE RD.
LOUISVILLE, KY 40243

COUNTERSIGNED BY:


Authorized Representative

DATE:

IL TO 02 11 89 (REV. 09-07) PAGE 1 OF 1
OFFICE: CHICAGO



POLICY NUMBER: H-660-4993N533-COF-10

EFFECTIVE DATE: 04-27-10

ISSUE DATE: 05-13-10

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS BY LINE OF BUSINESS.

IL TO 02 11 89 COMMON POLICY DECLARATIONS
IL T8 01 10 93 FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS
IL TO 01 01 07 COMMON POLICY CONDITIONS
IL TO 03 04 96 LOCATION SCHEDULE

COMMERCIAL PROPERTY

CP TO 11 01 03 COMMERCIAL PROPERTY DECLARATIONS
CP TO 05 04 94 MORTGAGEE SCHEDULE
CP TO 00 01 03 TABLE OF CONTENTS
CP 00 90 07 88 COMMERCIAL PROPERTY CONDITIONS
CP T1 00 01 03 BUILDING & PERSONAL PROPERTY COV. FORM
CP T1 04 01 03 BUSINESS INCOME COV. FORM W/EE
CP T1 08 01 03 CAUSES OF LOSS-SPECIAL FORM
CP T3 82 02 04 CAUSES OF LOSS-EQUIPMENT BREAKDOWN
CP T3 97 10 07 BUSINESS INCOME-PERS. PROP. IN THE OPEN
CP T3 63 01 03 PROPERTY EXTRA PLUS
CP T3 81 01 08 TERRORISM RISK INS ACT 2002 DISCLOSURE

INLAND MARINE

CM AO 06 01 98 CONTRACTORS EQUIP COVG-SPECIAL OEC
CM TO 11 08 05 TABLE OF CONTENTS
CM 00 01 09 04 COMMERCIAL INLAND MARINE CONDITIONS
CM T8 94 09 93 LOSS PAYABLE PROVISIONS
CM T1 03 01 98 CONTRACTORS EQUIP-SPECIAL FORM
CM T8 00 GENERAL PURPOSE ENDORSEMENT
CM T8 01 GENERAL PURPOSE ENDORSEMENT
CM T3 37 08 91 WEIGHT OF THE LOAD
CM T3 98 01 08 TERRORISM RISK INS ACT 2002 DISCLOSURE
CM T9 23 09 06 WATERBORNE PROPERTY ENDORSEMENT

INTERLINE ENDORSEMENTS

IL T3 82 08 06 EXCL OF LOSS DUE TO VIRUS OR BACTERIA
IL T3 79 01 08 CAPS ON LOSSES FROM CERT ACTS OF TERROR
IL 02 50 09 08 TN CHANGES-CANCELLATION & NONRENEWAL
IL T3 55 08 98 EXCL OF CERTAIN COMPUTER REL LOSSES

IL T8 01 10 93

PAGE: 1 OF 1

004149

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions:

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy or any Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. If the policy is cancelled, that date will become the end of the policy period. If a Coverage Part is cancelled, that date will become the end of the policy period as respects that Coverage Part only.
5. If this policy or any Coverage Part is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us as part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time.

during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes;
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards;
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. We compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums. The premium shown in the Declarations was computed based on rates and rules in effect at

the time the policy was issued. On each renewal continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while

acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

G. Equipment Breakdown Equivalent to Boiler and Machinery

On the Common Policy Declarations, the term Equipment Breakdown is understood to mean and include Boiler and Machinery and the term Boiler and Machinery is understood to mean and include Equipment Breakdown.

This policy consists of the Common Policy Declarations and the Coverage Parts and endorsements listed in that declarations form.

In return for payment of the premium, we agree with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy. That insurance will be provided by the company indicated as insuring company in the Common Policy Declarations by the abbreviation of its name opposite that Coverage Part.

One of the companies listed below (each a stock company) has executed this policy, and this policy is countersigned by the officers listed below:

The Travelers Indemnity Company (IND)

The Phoenix Insurance Company (PHX)

The Charter Oak Fire Insurance Company (COF)

Travelers Property Casualty Company of America (TIL)

The Travelers Indemnity Company of Connecticut (TCT)

The Travelers Indemnity Company of America (TIA)

Travelers Casualty Insurance Company of America (ACJ)

Secretary

President

LOCATION SCHEDULE**POLICY NUMBER: H-660-4993N533-CDF-10**

This Schedule of Locations and Buildings applies to the Common Policy Declarations for the period
04-27-10 to 04-27-11.

Loc. No.	Bldg. No.	Address	Occupancy
1	1	525 BASSWOOD DR NASHVILLE, TN 37209	OFFICE /SHOWROOM/STORAGE
1	2	525 BASSWOOD DR NASHVILLE, TN 37209	REPAIR SHOP
1	3	525 BASSWOOD DR NASHVILLE, TN 37209	WOODWORKING SHOP
1	4	525 BASSWOOD DR NASHVILLE, TN 37209	BOAT REPAIR SHOP
1	5	525 BASSWOOD DR NASHVILLE, TN 37209	CANVAS SHOP
1	6	525 BASSWOOD DR NASHVILLE, TN 37209	FUEL TANKS
1	7	525 BASSWOOD DR NASHVILLE, TN 37209	BOAT SHED
1	8	525 BASSWOOD DR NASHVILLE, TN 37209	BATH HOUSE/RESTROOM



IL T0 03 04 96

Page 1 (END)

004151

COMMERCIAL PROPERTY



004152

COMMERCIAL PROPERTY



One Tower Square, Hartford, Connecticut 06183

**COMMERCIAL PROPERTY
COVERAGE PART DECLARATIONS**

**POLICY NUMBER: H-660-4993N533-COF-10
ISSUE DATE: 05-13-10**

INSURING COMPANY:
THE CHARTER OAK FIRE INSURANCE COMPANY

DECLARATIONS PERIOD: From 04/27/10 to 04/27/11 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Commercial Property Coverage Part consists of these Declarations and the attached Supplemental Declaration(s), Schedule(s), Table of Contents, Commercial Property Conditions, the Coverage Form(s), the Cause of Loss Form(s) and endorsements.

1. **COVERAGE** - Insurance applies only to premises location(s) and building number(s) shown below for the coverage(s), optional coverage(s) or coverage option(s) indicated in this Declarations or specified in any endorsements attached to this Coverage Part.
2. **DEDUCTIBLE** - The following deductible applies unless a different or more specific deductible is indicated within this Declarations or by endorsement.
\$ 1,000 per occurrence.

PREMISES LOCATION NO. 0001 BUILDING NO. 0001

COVERAGE	LIMIT OF INSURANCE	CAUSES COINSURANCE	OF LOSS
Building Agreed Value applies Replacement Cost applies	\$ 1,164,415 Blanket Limit 2	90%	Special
Your Business Personal Property Agreed Value applies Replacement Cost applies	\$ Included In Blanket Limit 2	90%	Special
Business Income And Extra Expense Ordinary Payroll is included Period of Restoration - Time Period: 72 hours Civil Authority - Time Period: 72 hours Civil Authority Coverage Period: 21 consecutive days Extended Business Income: 30 days	\$ 103,000 Blanket Limit 1	60%	Special

CP TO 11 01 03

004153 PRODUCER: ANCHOR INSURANCE AGENCY

CPX17

OFFICE: CHICAGO

033



One Tower Square, Hartford, Connecticut 06183

**COMMERCIAL PROPERTY
COVERAGE PART DECLARATIONS**

**POLICY NUMBER: H-660-4993N533-COF-10
ISSUE DATE: 05-13-10**

PREMISES LOCATION NO. 0001 BUILDING NO. 0002

COVERAGE	LIMIT OF INSURANCE	CAUSES OF LOSS
Building	\$ Included In Blanket Limit 2	90% Special
Agreed Value applies		
Replacement Cost applies		
Your Business Personal Property	\$ Included In Blanket Limit 2	90% Special
Agreed Value applies		
Replacement Cost applies		
Business Income And Extra Expense	\$ Included In Blanket Limit 1	60% Special
Ordinary Payroll is included		
Period of Restoration - Time Period: 72 hours		
Civil Authority - Time Period: 72 hours		
Civil Authority Coverage Period: 21 consecutive days		
Extended Business Income: 30 days		

PREMISES LOCATION NO. 0001 BUILDING NO. 0003

COVERAGE	LIMIT OF INSURANCE	CAUSES OF LOSS
Building	\$ Included In Blanket Limit 2	90% Special
Agreed Value applies		
Replacement Cost applies		
Your Business Personal Property	\$ Included In Blanket Limit 2	90% Special
Agreed Value applies		
Replacement Cost applies		
Business Income And Extra Expense	\$ Included In Blanket Limit 1	60% Special
Ordinary Payroll is included		
Period of Restoration - Time Period: 72 hours		
Civil Authority - Time Period: 72 hours		
Civil Authority Coverage Period: 21 consecutive days		
Extended Business Income: 30 days		

CP TO 11 01 03

PRODUCER: ANCHOR INSURANCE AGENCY

CPX17

OFFICE: CHICAGO

033



One Tower Square, Hartford, Connecticut 06183

COMMERCIAL PROPERTY
COVERAGE PART DECLARATIONS

POLICY NUMBER: H-660-4993N533-COF-10
ISSUE DATE: 05-13-10

PREMISES LOCATION NO. 0001

BUILDING NO. 0004

COVERAGE	LIMIT OF INSURANCE	CAUSES OF LOSS
Building	\$ Included In Blanket Limit 2	90% Special
Agreed Value applies Replacement Cost applies		
Your Business Personal Property	\$ Included In Blanket Limit 2	90% Special
Agreed Value applies Replacement Cost applies		
Business Income And Extra Expense	\$ Included In Blanket Limit 1	60% Special
Ordinary Payroll is included Period of Restoration - Time Period: 72 hours Civil Authority - Time Period: 72 hours Civil Authority Coverage Period: 21 consecutive days Extended Business Income: 30 days		

PREMISES LOCATION NO. 0001

BUILDING NO. 0005

COVERAGE	LIMIT OF INSURANCE	CAUSES OF LOSS
Building	\$ Included In Blanket Limit 2	90% Special
Agreed Value applies Replacement Cost applies		
Your Business Personal Property	\$ Included In Blanket Limit 2	90% Special
Agreed Value applies Replacement Cost applies		
Business Income And Extra Expense	\$ Included In Blanket Limit 1	60% Special
Ordinary Payroll is included Period of Restoration - Time Period: 72 hours Civil Authority - Time Period: 72 hours Civil Authority Coverage Period: 21 consecutive days Extended Business Income: 30 days		

CP TO 11 01 03

004154

PRODUCER: ANCHOR INSURANCE AGENCY

CPX17

OFFICE: CHICAGO

033



One Tower Square, Hartford, Connecticut 06183

COMMERCIAL PROPERTY
COVERAGE PART DECLARATIONS

POLICY NUMBER: H-660-4993N533-COF-10
ISSUE DATE: 05-13-10

PREMISES LOCATION NO. 0001 BUILDING NO. 0006

COVERAGE	LIMIT OF INSURANCE	CAUSES OF LOSS
Building	\$ Included In Blanket Limit 2	90% Special
Agreed Value applies		
Replacement Cost applies		
Your Business Personal Property	\$ Included In Blanket Limit 2	90% Special
Agreed Value applies		
Replacement Cost applies		
Business Income And Extra Expense	\$ Included In Blanket Limit 1	60% Special
Ordinary Payroll is included		
Period of Restoration - Time Period: 72 hours		
Civil Authority - Time Period: 72 hours		
Civil Authority Coverage Period: 21 consecutive days		
Extended Business Income: 30 days		

PREMISES LOCATION NO. 0001 BUILDING NO. 0007

COVERAGE	LIMIT OF INSURANCE	CAUSES OF LOSS
Building	\$ Included In Blanket Limit 2	90% Special
Agreed Value applies		
Replacement Cost applies		
Business Income And Extra Expense	\$ Included In Blanket Limit 1	60% Special
Ordinary Payroll is included		
Period of Restoration - Time Period: 72 hours		
Civil Authority - Time Period: 72 hours		
Civil Authority Coverage Period: 21 consecutive days		
Extended Business Income: 30 days		

CP TO 11 01 03

PRODUCER: ANCHOR INSURANCE AGENCY

CPX17 OFFICE: CHICAGO

033



One Tower Square, Hartford, Connecticut 06183

COMMERCIAL PROPERTY
COVERAGE PART DECLARATIONS

POLICY NUMBER: H-660-4993N533-COF-10
ISSUE DATE: 05-13-10

PREMISES LOCATION NO: 0001 BUILDING NO: 0008

COVERAGE	LIMIT OF INSURANCE	CAUSES OF LOSS	COINSURANCE	SPECIAL
Building	\$ Included In Blanket Limit 2	90%	Special	
Agreed Value applies				
Replacement Cost applies				
Your Business Personal Property	\$ Included In Blanket Limit 2	90%	Special	
Agreed Value applies				
Replacement Cost applies				
Business Income And Extra Expense	\$ Included In Blanket Limit 1	60%	Special	
Ordinary Payroll is included				
Period of Restoration - Time Period:	72 hours			
Civil Authority - Time Period:	72 hours			
Civil Authority Coverage Period:	21 consecutive days			
Extended Business Income:	30 days			



CP TO 11 01 03

004155

PRODUCER: ANCHOR INSURANCE AGENCY

CPX17

OFFICE: CHICAGO

033



One Tower Square, Hartford, Connecticut 06183

**COMMERCIAL PROPERTY
COVERAGE PART DECLARATIONS**

**POLICY NUMBER: H-660-4993N533-COF-10
ISSUE DATE: 05-13-10**

SUPPLEMENTAL DECLARATIONS

ADDITIONAL COVERAGES & COVERAGE EXTENSIONS

The following Additional Coverages and Coverage Extensions are provided under the Coverage Form(s) listed below for the Limits of Insurance shown. These Limits of Insurance apply in any one occurrence unless otherwise stated.

Some of these Additional Coverages and Coverage Extensions, or the applicable Limits of Insurance, may be modified by endorsements attached to this policy. There may also be other Additional Coverages or Coverage Extensions within your policy. Please read it carefully.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Additional Coverages	Limit of Insurance
Debris Removal	\$ 25,000
- Additional Amount at each described premises	
Pollutant Cleanup and Removal	\$ 25,000
- 12 Month Aggregate Limit	
Preservation of Property	Policy Limit
Fire Department Service Charge	\$ 5,000
Reward Coverage	\$ 5,000
- Maximum Limit	
Increased Cost of Construction	\$ 5,000
- At each described premises	
Fire Protective Equipment Discharge	\$ 10,000
	\$ 5,000
Coverage Extensions	
Newly Acquired or Constructed Property	
- Each Building	\$ 500,000
- Personal Property in total, at each premises	\$ 250,000
Personal Effects and Property of Others	
- At each described premises	\$ 10,000
- Any one employee	\$ 2,500
Valuable Papers and Records	
- At each described premises	\$ 10,000
Property Off-Premises	
- At any installation premises or temporary storage premises while awaiting installation	\$ 10,000
- At any other premises you do not own, lease, or regularly operate including fairs, trade shows and "exhibitions"	\$ 25,000
Temporary Relocation of Property	\$ 50,000
Outdoor Property	\$ 10,000
- Any one tree, shrub or plant	\$ 500
- Any one antenna	\$ 2,500
Claim Data Expense	\$ 2,500

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One Tower Square, Hartford, Connecticut 06183

**COMMERCIAL PROPERTY
COVERAGE PART DECLARATIONS**

**POLICY NUMBER: H-660-4993N533-COF-10
ISSUE DATE: 05-13-10**

BUILDING AND PERSONAL PROPERTY COVERAGE FORM (continued)

Coverage Extensions

	Limit of Insurance
Extra Expense (including Expediting Expenses)	\$ 2,500
Accounts Receivable	\$ 10,000
- At each described premises	\$ 5,000
Non-Owned Detached Trailers	\$ 2,500
Outside Signs	\$ 10,000
Covered Property in Transit	\$ 10,000
Duplicate Electronic Data Processing Data & Media	\$ 10,000
Electronic Data Processing Equipment and Data & Media - Limited	\$ 10,000
Theft, Damage, to Rented Property	Policy Limit

BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM

Additional Coverages

	Limit of Insurance
Alterations and New Buildings	Policy Limit
Interruption of Computer Operations - Aggregate Limit	\$ 25,000
Delayed Net Income Loss	Policy Limit

Coverage Extensions

Newly Acquired Locations	\$ 250,000
Claim Data Expense	\$ 2,500



CP TO 11 01 03

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033



One Tower Square, Hartford, Connecticut 06183

**COMMERCIAL PROPERTY
COVERAGE PART DECLARATIONS**

POLICY NUMBER: H-660-4993N533-COF-10

ISSUE DATE:

Premises Loc. No.	Bldg. No.	Mortgage Holder Name and Mailing Address	
1	1	FIRST BANK, SANDY STEPP P.O. BOX 1639 LEXINGTON	KY 3B351
1	2	FIRST BANK, SANDY STEPP P.O. BOX 1639 LEXINGTON	KY 3B351
1	3	FIRST BANK, SANDY STEPP P.O. BOX 1639 LEXINGTON	KY 3B351
1	4	FIRST BANK, SANDY STEPP P.O. BOX 1639 LEXINGTON	KY 3B351
1	5	FIRST BANK, SANDY STEPP P.O. BOX 1639 LEXINGTON	KY 3B351
1	6	FIRST BANK, SANDY STEPP P.O. BOX 1639 LEXINGTON	KY 3B351
1	7	FIRST BANK, SANDY STEPP P.O. BOX 1639 LEXINGTON	KY 3B351
1	8	FIRST BANK, SANDY STEPP P.O. BOX 1639 LEXINGTON	KY 3B351

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COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But

COMMERCIAL PROPERTY

you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:

a. Someone insured by this insurance;

b. A business firm:

- (1) Owned or controlled by you; or
- (2) That owns or controls you; or

c. Your tenant.

This will not restrict your insurance.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout the policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H - DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from a Covered Cause of Loss.

1. Covered Property

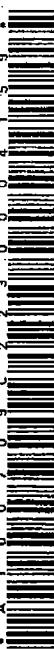
Covered Property, as used in this Coverage Part, means the type of property described in this section, A.1., and limited in A.2., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. **Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Machinery and equipment permanently attached to the building or structure;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings;
 - (d) Lobby and hallway furnishings owned by you;
 - (e) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering (not used for restaurant operations);
 - (f) Lawn maintenance and snow removal equipment; and
 - (g) Alarm systems;

(5) If not covered by other insurance:

- (a) Alterations and repairs to the building or structure; and
 - (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making alterations or repairs to the building or structure.
- b. **Your Business Personal Property** located in or on the building described in the Declarations or in the open (or, in a vehicle) within 1,000 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property-Separation of Coverage endorsement:
- (1) Furniture and fixtures;
 - (2) Machinery and equipment;
 - (3) "Stock";
 - (4) All other personal property owned by you and used in your business;
 - (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
- (a) Made a part of the building or structure you occupy or lease, but do not own; and
 - (b) You acquired or made at your expense but are not permitted to remove;



- (7) Leased personal property for which you have a contractual responsibility to insure, unless coverage is otherwise provided, for under Personal Property of Others.

Your Business Personal Property does not include "Electronic Data Processing Equipment" or "Electronic Data Processing Data and Media" except as provided under Sections A.1.d. "Electronic Data Processing Equipment" and A.1.e. "Electronic Data Processing Data and Media".

c. **Personal Property of Others** that is:

- (1) In your care, custody or control; and
(2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

However, our payment for loss of or damage to Personal Property of Others will only be for the account of the owner of the property.

Personal Property of Others does not include "Electronic Data Processing Equipment" or "Electronic Data Processing Data and Media" except as provided under Sections A.1.d. "Electronic Data Processing Equipment" and A.1.e. "Electronic Data Processing Data and Media".

- d. "**Electronic Data Processing Equipment**" that you own or lease, or that is in your care, custody or control, while located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.
- e. "**Electronic Data Processing Data and Media**" that you own or lease, or that is in your care, custody or control, while located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

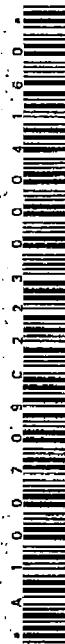
2. Property Not Covered

Unless the following property is added by endorsement to this Coverage Form, Covered Property does not include:

- a. Accounts, bills, currency, other evidences of debt, money, notes, checks, drafts, securities or food stamps except as provided in the Accounts Receivable Cover-

age Extension; Lottery tickets held for sale are not securities.

- b. Live animals, birds or fish, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Contraband; or property in the course of illegal transportation or trade;
- e. The cost of excavations, grading, back filling or filling;
- f. Foundations of buildings, structures, machinery or boilers if their foundations are below:
(1) The lowest basement floor; or
(2) The surface of the ground, if there is no basement;
- g. Water or land whether in its natural state or otherwise (including land on which the property is located); land improvements, growing crops, standing timber;
- h. Aircraft or watercraft (other than watercraft owned by you while out of water at the described premises); and personal property while airborne or waterborne except as provided in the Covered Property In Transit Coverage Extension;
- i. Bulkheads, pilings, piers, wharves, docks, dikes or dams;
- j. Property that is covered under another Coverage Form of this or any other policy in which it is more specifically described, except for the excess over the amount due (whether you can collect on it or not) from that other insurance;
- k. Underground pipes, flues, drains, tanks, tunnels all whether or not connected to buildings; mines or mining property;
- l. The cost to research, replace or restore the information on "Valuable Papers and Records", except as provided in the Valuable Papers and Records - Cost of Research Coverage Extension;
- m. Vehicles or self-propelled machines that:
(1) Are licensed for use on public roads; or
(2) Are operated principally away from the described premises;
but this paragraph does not apply to:

- 
- (a) Vehicles or self-propelled machines, other than automobiles, you manufacture, process, warehouse or hold for sale;
 - (b) Automobiles you manufacture, process or warehouse; or
 - (c) Trailers or Semi-Trailers, except as provided in (a) above or as provided for in the Coverage Extension for Non-Owned Detached Trailers;
- n. The following property while outside of buildings:
- (1) Harvested grain, hay, straw or other crops; or
 - (2) The following Outdoor Property, except as provided in the Outdoor Property Coverage Extension:
 - (a) Bridges, walks, roadways, patios or other paved surfaces;
 - (b) Retaining walls that are not part of the buildings described in the Declarations;
 - (c) Fences, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), or lawns (including fairways, greens and tees); or
 - (d) Radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers;
- o. The cost of restoring land or water;
- p. Any "Electronic Data Processing Data and Media" which is obsolete or no longer used by you;
- q. Outside signs, except as provided in the Outside Signs Coverage Extension; or
- r. Additions under construction except as provided in the Newly Acquired or Constructed Property Coverage Extension.

3. Covered Causes of Loss

See applicable Causes of Loss Form as shown in the Declarations.

4. Additional Coverages

Each of these Additional Coverages is additional insurance unless otherwise indicated.

Unless otherwise indicated in the Declarations or by endorsement, the following Additional Coverages apply:

a. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property, other than outdoor property as included in the Outdoor Property Coverage Extension, caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

This Additional Coverage does not apply to:

- (a) Costs to extract "pollutants" from land or water; or
 - (b) Costs to remove, restore or replace polluted land or water.
- (2) Except as provided in (3) below, payment for Debris Removal is included within the applicable Limit of Insurance shown in the Declarations. The most we will pay under this Additional Coverage is 25% of:
 - (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
 - (b) The deductible in this Coverage Part applicable to that loss or damage.
 - (3) When the debris removal expense exceeds the 25% limitation in (2) above or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Limit of Insurance, we will pay an additional amount for debris removal expense up to \$25,000, for each of your premises, in any one occurrence.

b. Pollutant Cleanup and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises, if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss which occurs:

- (1) On the described premises;
- (2) To Covered Property; and

(3) During the policy period.

The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants." But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage is \$25,000 for the sum of all covered expenses arising out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this policy.

c. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for:

- (1)** The necessary and reasonable expenses actually incurred by you to remove the Covered Property from the described premises, temporarily store the Covered Property at another location and to move the Covered Property back to the described premises; and
- (2)** Any direct physical loss or damage to Covered Property while it is being moved from a described premises, while temporarily stored at another location or while being moved back to the described premises.

However, this Additional Coverage will only apply if the loss or damage occurs within 90 days after the Covered Property is first moved and will cease when the policy is amended to provide insurance at the new location, the Covered Property is returned to the existing location or this policy expires, whichever occurs first.

Payments under this Additional Coverage will not increase the applicable Limit of Insurance.

d. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a

Covered Cause of Loss, we will pay up to \$5,000 in any one occurrence for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or**

- (2) Required by local ordinance.**

No Deductible applies to this Additional Coverage.

e. Reward Coverage

We will reimburse you for rewards you have incurred for information leading to:

- (1) The successful return of undamaged stolen Covered Property to a law enforcement agency; or**
- (2) The arrest and conviction of any person who has damaged or stolen any of your Covered Property.**

We will pay 25% of the covered loss (prior to the application of any applicable deductible and recovery of undamaged stolen Covered Property) up to a maximum of \$5,000 in any one occurrence for the payments of rewards you make. These reward payments must be documented. No deductible applies to this Additional Coverage.

f. Increased Cost of Construction or Repair

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.**

- (2) In the event of damage by a Covered Cause of Loss to buildings that are Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property; subject to the limitations stated in f.(3) through f.(8) of this Additional Coverage.**

- (3) The ordinance or law referred to in f.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.**

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- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
 - (5) Under this Additional Coverage, we will not pay any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
 - (6) The most we will pay under this Additional Coverage at each of your described premises is \$10,000 in any one occurrence.
 - (7) With respect to this Additional Coverage:
 - (a) We will not pay the Increased Cost of Construction or Repair:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repairs, or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction or Repair, subject to the provisions of f.(6) of this Additional Coverage, is the increased cost of construction or repair at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction or Repair, subject to the provisions of f.(6) of this Additional Coverage, is the increased cost of con-

struction or repair at the new premises.

- (8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

g. Fire Protective Equipment Discharge

If fire protective equipment discharges accidentally or to control a Covered Cause of Loss we will pay your cost to:

- (1) Refill or recharge the system with the extinguishing agents that were discharged; and
- (2) Replace or repair faulty valves or controls which caused the discharge.

The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

5. Coverage Extensions

Each of these Coverage Extensions is additional insurance unless otherwise indicated:

Unless otherwise indicated in the Declarations or by endorsement, the following Coverage Extensions apply:

a. Newly Acquired or Constructed Property

We will pay for direct physical loss or damage by a Covered Cause of Loss to:

(1) Buildings:

- (a) Your new buildings or additions to existing buildings insured under this Coverage Part while being built on the described premises or newly acquired premises including materials, equipment, supplies and temporary structures, on or within 1,000 feet of the premises; and
- (b) Buildings you acquire at the described premises or at locations other than the described premises.

The most we will pay for loss or damage to this building property in any one occurrence is \$500,000 at each building.

(2) Your Business Personal Property, Personal Property of Others, Elec-

tronic Data Processing Equipment, and Electronic Data Processing Data and Media:

- (a) If a Limit of Insurance is shown in the Declarations for Your Business Personal Property, Personal Property of Others, "Electronic Data Processing Equipment", or "Electronic Data Processing Data and Media", you may extend that insurance to apply to that type of property at:
- (i) A building you newly acquire at a location described in the Declarations; or
 - (ii) At any other location you acquire by purchase or lease (other than at fairs, trade shows or exhibitions).

The most we will pay for loss or damage to all types of property described above in any one occurrence is \$250,000 in total at each location.

- (3) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:
- (a) This policy expires;
 - (b) 90 days expire after you acquire or begin to construct the property;
 - (c) You report values to us; or
 - (d) The property is more specifically insured.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

b. Personal Effects and Property of Others

You may extend the insurance that applies to Your Business Personal Property to apply to the following types of property only while on the described premises:

- (1) Personal effects or "Fine Arts" owned by you, your officers, your partners, your managers or your employees;
- (2) Personal property (other than personal effects, "Fine Arts", "Electronic Data Processing Equipment") or

"Electronic Data Processing Data and Media") owned by:

- (a) Your employees, for not more than \$2,500 for any one employee; or
- (b) Others, and in your care, custody or control.

The most we will pay for loss or damage under this Extension in any one occurrence is \$10,000 at each described premises. The direct physical loss or damage must be caused by a Covered Cause of Loss. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers and Records – Cost of Research

You may extend the insurance that applies to Your Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged "Valuable Papers and Records" for which duplicates do not exist.

The most we will pay under this Extension in any one occurrence is \$10,000 at each described premises. The direct physical loss or damage must be caused by a Covered Cause of Loss.

d. Property Off-Premises

(1) You may extend the insurance that applies to your Covered Property and Covered Personal Property of Others to apply to direct physical loss or damage by a Covered Cause of Loss to such property while temporarily away from the described premises:

- (a) At any fair, trade show or "exhibition" within the Coverage Territory at a premises you do not own, lease or regularly operate;
- (b) At installation premises or temporary storage premises while awaiting installation within the Coverage Territory that you do not own, lease or regularly operate. This coverage applies only to such property that will or has become a permanent part of an installation project being performed for others by you or on



your behalf. This coverage will end when any of the following first occurs:

- (i) Your interest in the property ceases;
 - (ii) The installation is accepted;
 - (iii) The installation is abandoned;
 - (iv) The property is more specifically insured; or
 - (v) This policy is cancelled or expires, whichever occurs first; or
- (c) At any other premises within the Coverage Territory that you do not own, lease or regularly operate.
- (2) This Extension does not apply to:
- (a) Property in due course of transit;
 - (b) Property to which the Temporary Relocation of Property or the Duplicate Electronic Data Processing Data and Media Coverage Extensions apply; or
 - (c) Property sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan after delivery to the purchasers.
- (3) The most we will pay for loss or damage in any one occurrence under this Extension is \$25,000, but we will not pay more than \$10,000 at any installation, premises or temporary storage premises while awaiting installation.

e. Temporary Relocation of Property

If Personal Property for which a Limit of Insurance is shown in the Declarations is removed from the described premises and stored temporarily at another location you own, lease or operate while the described premises is being renovated or remodeled, we will pay for direct physical loss or damage to that stored property:

- (1) Caused by or resulting from a Covered Cause of Loss;
- (2) Up to \$50,000 in any one occurrence; and

- (3) During the storage period of up to 90 consecutive days, but not beyond the expiration date of this policy.

This Extension does not apply if the stored property is more specifically insured.

f. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor property described below on the described premises, as follows:

- (1) Fences, retaining walls that are not part of a building, lawns (including fairways, greens, and tees), trees, shrubs and plants (other than "stock" of trees, shrubs, or plants), bridges, walks, roadways, patios, or other paved surfaces for loss or damage by the following causes of loss, if they are a Covered Cause of Loss:
 - (a) Fire;
 - (b) Lightning;
 - (c) Explosion;
 - (d) Riot or Civil Commotion;
 - (e) Aircraft;
 - (f) Falling Objects;
 - (g) Sinkhole Collapse; or
 - (h) Volcanic Action.
 - (2) Radio and television antennas (including microwave or satellite dishes) for loss or damage by the following causes of loss, if they are a Covered Cause of Loss:
 - (a) A cause of loss listed in (1)(a) through (1)(h) above;
 - (b) Windstorm or hail;
 - (c) Vehicles; or
 - (d) Vandalism.
- The most we will pay under this Extension in any one occurrence is \$10,000, but we will not pay more than \$500 for any one tree, shrub or plant nor more than \$2,500 for any one antenna. We will also pay your necessary and reasonable expense that you incur to remove debris of Outdoor Property shown under f.(1) and f.(2) above at your described premises caused by or resulting

from a Covered Cause of Loss listed above that occurs during the policy period. Such expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage. This will not increase the Limits of Insurance that apply to this Extension.

g. Claim Data Expense

You may extend the insurance provided by this Coverage Form to apply to the expense you incur in preparing claim data when we require it. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of loss. The most we will pay for preparation of claim data under this Extension in any one occurrence is \$2,500. We will not pay for:

- (1) Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
- (2) Any costs as provided in the Loss Condition – Appraisal; or
- (3) Any expenses incurred, directed, or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.

h. Extra Expense (Including Expediting Expenses)

In the event of covered loss or damage, you may extend the insurance provided by this Coverage Form to apply to:

- (1) The necessary and reasonable extra expense you incur to continue as nearly as possible your normal business operation; and
- (2) The necessary and reasonable additional expenses you incur to make temporary repairs, or expedite permanent replacement at the premises sustaining loss or damage. Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.

The most we will pay in total in any one occurrence under this Extension is \$2,500.

i. Accounts Receivable

You may extend the insurance that applies to Your Business Personal Property to apply to the following loss and expenses resulting from direct physical loss or damage by a Covered Cause of Loss to your accounts receivable records (including those on electronic data processing media). Credit card company charge media will be considered accounts receivable until delivered to the credit card company.

(1) We will pay:

- (a) All amounts due from your customers that you are unable to collect;
 - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts; and
 - (c) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage.
- (2) The most we will pay in any one occurrence under this Extension is \$10,000 for all loss and expense at each described premises.

j. Non-Owned Detached Trailers

(1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage by a Covered Cause of Loss to trailers or semi-trailers that you do not own, provided that:

- (a) The trailer or semi-trailer is used in your business;
- (b) The trailer or semi-trailer is in your care, custody or control at the premises described in the Declarations; and
- (c) You have a contractual responsibility to pay for loss or damage to the trailer or semi-trailer.

(2) We will not pay for any loss or damage that occurs:

- (a) While the trailer or semi-trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or mo-



- torized conveyance is in motion; or
- (b) During hitching or unhitching operations, or when a trailer or semi-trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage in any one occurrence under this Extension is \$5,000.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.
- k. Outside Signs**
- You may extend the insurance that applies to Building or Your Business Personal Property to apply to direct physical loss or damage by a Covered Cause of Loss to outside signs, whether or not attached to buildings, on or within 1,000 feet of the described premises.
- The most we will pay for loss or damage in any one occurrence under this Extension is \$2,500.
- l. Covered Property In Transit**
- (1) You may extend the insurance that applies to Covered Property to apply to direct physical loss or damage by a Covered Cause of Loss to such property while in due course of transit at your risk within the Coverage Territory.
- (2) When the Causes of Loss – Special Form is applicable, the Earth Movement exclusion and the Water exclusion do not apply to this Extension.
- (3) The exclusion of personal property while airborne or waterborne under Section A.2, Property Not Covered, does not apply to this Extension, but the insurance provided under this Extension for property while waterborne is limited as provided in paragraph (4) (c) below.
- (4) This Extension does not apply to:
- (a) Property within 1000 feet of the described premises;
- (b) Property shipped by mail;
- (c) Property while waterborne, except in regular ferry operations in the course of being moved by other means of transportation, and then to include General Average and Salvage Charges for which you become liable;
- (d) Export shipments once:
- (i) The shipment is loaded on board the export conveyance; or
- (ii) Coverage under an Ocean Marine or other insurance policy covering the shipment begins;
- whichever is earlier;
- (e) Import shipments prior to:
- (i) The shipment being unloaded from the import conveyance; or
- (ii) Coverage under an Ocean Marine or other insurance policy covering the shipment ends;
- whichever is later;
- (f) Property of others for which you are responsible while acting as a common or contract carrier, freight forwarder, freight consolidator, freight broker or public warehouseman;
- (g) Property sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan after delivery to the purchasers; or
- (h) Tools, equipment, supplies and materials all used for service or repair in your business which are kept in a motor vehicle. However, this does not apply to property in the care, custody or control of your sales representatives.
- (5) The following additional exclusion applies to this Extension when the Causes of Loss – Special Form applies to this Coverage Form:
- We will not pay for loss or damage by theft from a conveyance or container while unattended unless the portion of the conveyance or con-

tainer containing the Covered Property is fully enclosed and securely locked, and the theft is by forcible entry of which there is visible evidence.

- (6) The most we will pay for loss or damage in any one occurrence under this Extension is \$10,000.

m. Duplicate Electronic Data Processing Data and Media

- (1) You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage by a Covered Cause of Loss to duplicates of your "Electronic Data Processing Data and Media" while stored in a separate, unattached building from where your original "Electronic Data Processing Data and Media" are kept.
- (2) The most we will pay for loss or damage in any one occurrence under this Extension is \$10,000.

n. Electronic Data Processing Equipment and Data and Media – Limited

This Extension only applies when a Limit of Insurance is not stated in the Declarations for "Electronic Data Processing Equipment" and "Electronic Data Processing Data and Media".

- (1) If a Limit of Insurance is shown in the Declarations for Your Business Personal Property, you may extend that insurance to apply to direct physical loss or damage by a Covered Cause of Loss to "Electronic Data Processing Equipment" and "Electronic Data Processing Data and Media" located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.
- (2) The most we will pay for loss or damage in any one occurrence under this Extension is \$10,000.

o. Theft Damage to Rented Property

You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage by theft or attempted theft to that part of any non-owned building at the described premises you occupy and which contains

the Covered Property, and to property within the non-owned building used for maintenance or service of the non-owned building.

This Extension applies only if you are a tenant and are required in your lease to cover this exposure.

We shall not be liable under this Extension for damage by fire or explosion, or to glass (other than glass building blocks) or to any lettering, ornamentation or burglar alarm tape on glass.

Payment under this Extension will not increase the Limit of Insurance that applies to Your Business Personal Property at the premises where the direct physical loss or damage occurs.

The Additional Condition, Coinsurance, does not apply to these Extensions.

B. EXCLUSIONS AND LIMITATIONS

See applicable Causes of Loss Form as shown in the Declarations.

C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, this Coverage Form, or any endorsements applicable to this Coverage Form.

D. DEDUCTIBLE

Unless otherwise indicated, we will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance, after any deduction required by the Coinsurance Additional Condition.

If more than one deductible applies to loss or damage in any one occurrence, we will apply each deductible separately. But the total of all deductible amounts applied in any one occurrence will not exceed the largest applicable deductible.

E. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties in the Event of Loss or Damage

- a. You must see that the following are done in the event of loss or damage:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quanti-

ties, costs, values and amount of loss claimed.

- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (8) Cooperate with us in the investigation or settlement of the claim.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordi-



- inance or law regulating the construction, use or repair of any property, except as provided under the Increased Cost of Construction or Repair Additional Coverage.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
 - d. We will not pay you more than your financial interest in the Covered Property.
 - e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owner's property. We will not pay the owners more than their financial interest in the Covered Property.
 - f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
 - g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.
 - h. At our option, we may make a partial payment toward any claims, subject to the policy provisions and our normal adjustment process. To be considered for a partial claim payment, you must submit a partial sworn proof of loss with supporting documentation. Any applicable deductibles must be satisfied before any partial payments are made.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property.

- a. We will pay:
 - (1) Recovery expense; and
 - (2) Costs to repair the recovered property;
- b. But the amount we pay will not exceed:
 - (1) The total of a.(1) and a.(2) above;

- (2) The value of the recovered property; or

- (3) The Limit of Insurance; whichever is less.

6. Valuation

We will determine the value of Covered Property in the event of covered loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d., e., f., g., h., i., j., k., l., and m. below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$5,000 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property except as provided under the Increased Cost of Construction or Repair Additional Coverage.

However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety glazing material if required by law.
- e. Tenant's Improvements and Betterments at:
 - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:



- (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure:
- (3) Nothing if others pay for repairs or replacement.
- f. "Valuable Papers and Records" at the cost of:
 - (1) Blank materials for reproducing the papers and records; and
 - (2) Labor to transcribe or copy the papers and records when there is a duplicate, but only if the papers and records are actually transcribed or copied.
 - g. "Fine Arts" at the least of:
 - (1) Market value at the time and place of loss;
 - (2) The cost of reasonably restoring that property; or
 - (3) The cost of replacing that property with substantially the same property.
 - h. Personal Property of Others at the amount you are liable not to exceed Actual Cash Value.
 - i. The value of Accounts Receivable will be determined as follows:
 - (1) If you cannot accurately establish the amount of Accounts Receivable outstanding as of the time of loss, we will:
 - (a) Determine the total of the average monthly amounts of Accounts Receivable for the 12 months immediately preceding the month in which the loss occurs; and
 - (b) Adjust that total for any normal fluctuations in the amount of Accounts Receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
 - (2) If you can accurately establish the amount of Accounts Receivable outstanding, that amount will be used in the determination of loss.
 - (3) The following will be deducted from the total amount of Accounts Receivable; however that amount is established:
 - (a) The amount of the accounts for which there is no loss;
 - (b) The amount of the accounts that you are able to re-establish or collect;
 - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (d) All unearned interest and service charges.
 - j. Stock in process at the cost of raw materials, and labor, plus the proper proportion of overhead charges.
 - k. "Electronic Data Processing Equipment" at replacement cost as of the time and place of loss, without deduction for physical deterioration, depreciation, obsolescence and depletion. However, in the event replacement of "Electronic Data Processing Equipment" with identical property is impossible, the replacement cost will be the cost of items that are similar to the damaged or destroyed equipment and intended to perform the same function, but which may include technological advances.
"Electronic Data Processing Equipment" that is obsolete or no longer used by you will be valued at actual cash value.
 - l. "Electronic Data Processing Data and Media" for which duplicates do not exist will be valued as follows:
 - (1) The cost of blank media; and
 - (2) Your cost to research, replace or restore the lost electronic data on lost, damaged or destroyed "Electronic Data Processing Data and Media"; but only if the lost electronic data is actually replaced or restored.
 - m. Duplicate "Electronic Data Processing Data and Media" at the cost of:

- (1) Blank media; and
- (2) Labor to copy the electronic data, but only if the electronic data is actually copied.

F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

This Additional Condition does not apply to "Electronic Data Processing Equipment" and "Electronic Data Processing Data and Media" when a specific Limit of Insurance is shown for that coverage in the Declarations.

If a Coinsurance percentage is shown in the Declarations, the following condition applies when the loss or damage in any one occurrence is \$5,000 or more.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in step (2); and
- (4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Underinsurance):

When: The value of the property is: \$250,000

The Coinsurance percentage for it is: 80%

The Limit of Insurance for it is: \$120,000

The Deductible is: \$500

The amount of loss is: \$40,000

Step (1): $\$250,000 \times 80\% = \$200,000$

(The minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$120,000 / \$200,000 = .60$

Step (3): $\$40,000 \times .60 = \$24,000$

Step (4): $\$24,000 - \$500 = \$23,500$

We will pay no more than \$23,500. The remaining \$16,500 is not covered.

Example No. 2 (Adequate Insurance):

When:

The value of the property is: \$250,000

The Coinsurance percentage for it is: 80%

The Limit of Insurance for it is: \$200,000

The Deductible is: \$500

The amount of loss is: \$40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 (\$250,000 x 80%). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,500 (\$40,000 amount of loss minus the deductible of \$500).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example No. 3: (Underinsurance):

When:

The value of the property is: \$75,000

Bldg. at Location No. 1: \$75,000

Bldg. at Location No. 2: \$100,000

Personal Property at Location No. 2: \$75,000

Total Value: \$250,000

The Coinsurance percentage for it is: 90%

The Limit of Insurance for Buildings and Personal Property at Locations No. 1 and 2 is: \$180,000

The Deductible is: \$1,000

The amount of loss is: \$30,000

Bldg. at Location No. 2: \$30,000

Personal Property at Location No. 2: \$20,000

Total amount of loss \$50,000

Step (1): $\$250,000 \times 90\% = \$225,000$

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 / \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

- a. The term, "mortgageholder," includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so; and
 - (2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have

failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. OPTIONAL COVERAGES

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies.
- b. The terms of this Optional Coverage apply only to loss or damage that occurs on or after the effective date of this Optional Coverage.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change



amending the Limit of Insurance, times

- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:

The applicable Limit of Insurance is: \$100,000

The annual percentage increase is: 8%

The number of days since the beginning of the policy year (or last policy change) is: 146

The amount of increase is:
 $\$100,000 \times .08 \times 146/365 = \$3,200$

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces the term Actual Cash Value in provisions a., e. and h. of the Loss Condition, Valuation, in Section E.6. of this Coverage Form;
- b. If you decide to repair or rebuild buildings which have sustained loss or damage, our payment will include any necessary and reasonable architectural, engineering, consulting or supervisory fees incurred in the repair or rebuilding. This will not increase the applicable Limits of Insurance.
- c. This Optional Coverage does not apply to:
 - (1) Obsolete property, or property no longer used by you;
 - (2) Residential personal property or personal effects;
 - (3) Awnings or floor coverings;
 - (4) Outdoor equipment or furniture;
 - (5) "Stock"; unless the Including "Stock" option is shown in the Declarations; or
 - (6) "Vacant" buildings.

d. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides, if you notify us of your intent to do so within 180 days after the loss or damage.

e. We will not pay on a replacement cost basis for any loss or damage:

- (1) Until the lost or damaged property is actually repaired or replaced; and
- (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

This restriction does not apply to losses less than \$5,000 in any one occurrence, other than losses to tenants' improvements and betterments.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in e.(1) and e.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Actual Cash Value Valuation Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- f. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2), or (3), subject to g. below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace, on the same premises, the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.



- If a building is rebuilt at a new premises, the cost described in f.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.
- g. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property except as provided under the Increased Cost of Construction or Repair Additional Coverage.
 - h. We will determine the value of patterns, dies, molds, and forms not in current usage at Actual Cash Value. If the loss is paid on an Actual Cash Value basis, and within 24 months from the date of the loss you need to repair or replace one or more of them, we will pay you, subject to the conditions of this insurance, the difference between Actual Cash Value and Replacement Cost for those patterns, molds and dies which are actually repaired or replaced.
 - i. "Electronic Data Processing Equipment" at replacement cost as of the time and place of loss, without deduction for physical deterioration, depreciation, obsolescence and depletion. However, in the event replacement of "Electronic Data Processing Equipment" with identical property is impossible, the replacement cost will be the cost of items that are similar to the damaged or destroyed equipment and intended to perform the same function, but which may include technological advances.
"Electronic Data Processing Equipment" that is obsolete or no longer used by you will be valued at actual cash value.
 - j. "Electronic Data Processing Data and Media" for which duplicates do not exist will be valued as follows:
 - (1) The cost of blank media; and
 - (2) Your cost to research, replace or restore the lost electronic data on lost, damaged or destroyed "Electronic Data Processing Data and Media"; but only if the lost electronic data is actually replaced or restored.

H. DEFINITIONS

- 1. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste and any unhealthy or hazardous building materials (including but not limited to asbestos and lead products or materials containing lead). Waste includes materials to be recycled, reconditioned or reclaimed.
- 2. "Stock" means merchandise held in storage or for sale, including supplies used in their packing or shipping.
- 3. "Exhibition" means the temporary display of personal property at a convention, exposition, trade show or similar event at a location you do not own, lease or regularly occupy.
- 4. "Fine Arts" means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property of rarity, historical value, or artistic merit.
- 5. "Electronic Data Processing Data and Media" means:
 - a. Data stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on electronic data processing, recording or storage media such as hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment;
 - b. The electronic media on which the data is stored; and
 - c. Programming records and instructions used for "Electronic Data Processing Equipment".
- 6. "Electronic Data Processing Equipment" means any of the following equipment used in your data processing operations:
 - a. Electronic data processing equipment, facsimile machines, word processors, multi-functional telephone equipment and laptop and portable computers; and
 - b. Any component parts and peripherals of such equipment, including related surge protection devices.

"Electronic Data Processing Equipment" does not include equipment used to operate production type machinery or equipment.

7. "Vacant." See applicable Causes of Loss form as shown in the Declarations.

8. "Valuable Papers and Records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages. But "Valuable Papers and Records" does not include money, securities or "Electronic Data Processing Data and Media".

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION G – DEFINITIONS.

A. COVERAGE

1. Business Income

- a. Business Income means the:
 - (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
 - (2) Continuing normal operating expenses incurred, including payroll.
- b. Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:
 - (1) Business Income including "Rental Value".
 - (2) Business Income excluding "Rental Value".
 - (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (2) above is selected, the term Business Income excludes "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

- c. We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered

Cause of Loss. With respect to loss of or damage to property in the open or property in a vehicle, the described premises includes the area within 1,000 feet of the building at which the described premises is located.

- d. With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:
 - (1) The portion of the building which you rent, lease or occupy; and
 - (2) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

2. Extra Expense

- a. Extra Expense coverage is provided at the premises described in the Declarations only, if the Declarations show that Business Income coverage applies at that premises.
- b. Extra Expense means reasonable and necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and oper-



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ate the replacement location or temporary location; or.

- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense (including Expediting Expense) to repair or replace the property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

3. Additional Coverages

Unless otherwise stated, payments made under these Additional Coverages will not increase the applicable Limits of Insurance.

Unless otherwise indicated in the Declarations or by endorsement, the following Additional Coverages apply:

a. Civil Authority

We will pay for the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises. The civil authority action must be due to direct physical loss or damage by a Covered Cause of Loss to property at locations, other than the described premises, that are within 100 miles of the described premises.

Unless a different time period and/or coverage period is indicated in the Declarations, the coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end when your Business Income coverage ends for this Additional Coverage.

b. Alterations and New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;

- (2) Alterations or additions to existing buildings or structures; and

- (3) Machinery, equipment, supplies or building materials located on or within 1,000 feet of the described premises and:

- (a) Used in the construction, alterations or additions; or
(b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred. This change in the start of the "period of restoration" does not apply to Extra Expense.

c. Extended Business Income

- (1) Business Income Other Than "Rental Value".

If the necessary "suspension" of your "operations" produces a Business income loss payable under this Coverage Part, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and

- (b) Ends on the earlier of:

- (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or

- (ii) Unless otherwise stated in the Declarations or by endorsement, 30 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of

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Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from a Covered Cause of Loss.

(2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this Coverage Part, we will pay for the actual loss of "Rental Value" you incur during the period that:

(a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and

(b) Ends on the earlier of:

(i) The date you could restore tenant occupancy with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or

(ii) Unless otherwise stated in the Declarations or by endorsement, 30 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of a Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from a Covered Cause of Loss.

d. Interruption of Computer Operations

We will pay for:

(1) The actual loss of Business Income you sustain due to the "suspension" of your "operations" during the "period of restoration" and Extended Business Income; and

(2) The reasonable and necessary Extra Expense you incur during the "period of restoration" and Extended Business Income;

caused by direct physical loss or damage to "Electronic Data Processing Data and Media" at the described premises by a Covered Cause of Loss.

The most we will pay under this Additional Coverage is \$25,000 for the sum of all covered interruptions arising out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this policy. The amount payable under this Additional Coverage is in addition to the Limit of Insurance.

e. Delayed Net Income Loss

We will pay for the actual loss of Net Income (Net Profit or Loss before income taxes) you sustain due to the "suspension" of your "operations" resulting in a loss in the value of production which occurs beyond the "period of restoration" and Extended Business Income. We will only pay under this Additional Coverage if:

- (1) The Delayed Net Income Loss is caused by direct physical loss or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations;
- (2) The loss or damage is caused by a Covered Cause of Loss;
- (3) You incur the Delayed Net Income Loss within 24 months of the date of the direct physical loss or damage to the property; and
- (4) You notify us in writing of such Delayed Net Income Loss within 24 months of the direct physical loss or damage to the property.

4. Coverage Extensions

Each of these Coverage Extensions is additional insurance. Unless otherwise indicated in the Declarations or by endorsement, the following Coverage Extensions apply:

a. Newly Acquired Locations



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- (1) You may extend your Business Income and Extra Expense coverages to apply to property (including property under construction) at any location you newly acquire by purchase or lease (other than fairs, trade shows or exhibitions).
- (2) The most we will pay under this Extension for the sum of Business Income loss and Extra Expense incurred at each newly acquired location is:
 - (a) \$250,000 in any one occurrence; or
 - (b) If a fraction is shown in the Declarations for Monthly Period of Indemnity, the most we will pay for loss in each period of 30 consecutive days is the fraction shown in the Declarations times \$250,000; or
 - (c) If Maximum Period of Indemnity is shown in the Declarations, the most we will pay is the amount of loss sustained during the 120 days immediately following the beginning of the "period of restoration", or \$250,000, whichever is less.
- (3) Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (a) This policy expires;
 - (b) 90 days expire after you acquire or begin to construct the property;
 - (c) You report the location to us; or
 - (d) Coverage for Business Income and Extra Expense at the location is more specifically insured.

We will charge you additional premium for values reported from the date you acquire the location.

b. Claim Data Expense

You may extend the insurance provided by this Coverage Form to apply to the expense you incur in preparing claim data when we require it. This includes the cost of preparing income statements and other documentation to show the extent of Business Income loss. The most we

will pay for preparation of claim data under this Extension in any one occurrence is \$2,500. We will not pay for:

- (1) Any expenses incurred, directed or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
- (2) Any costs as provided in the Loss Condition – Appraisal; or
- (3) Any expenses incurred, directed, or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.

The Additional Condition, Coinsurance, does not apply to these Extensions.

B. COVERED CAUSES OF LOSS, EXCLUSIONS AND LIMITATIONS

1. See applicable Causes of Loss Form as shown in the Declarations.
2. Additional Limitation – Interruption of Computer Operations
 - a. Coverage for Business Income does not apply to any loss or increase in loss caused by direct physical loss or damage to "Electronic Data Processing Data and Media", except as provided under the Additional Coverage – Interruption of Computer Operations.
 - b. Coverage for Extra Expense does not apply to any loss or increase in loss caused by direct physical loss or damage to "Electronic Data Processing Data and Media", except as provided under the Additional Coverage – Interruption of Computer Operations.

C. LIMITS OF INSURANCE

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations, this Coverage Form or any endorsements applicable to this Coverage Form.

D. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for

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an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties in the Event of Loss

- a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required; permit us to inspect the property proving the loss or damage; and examine your books and records. Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis.

and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (7) Cooperate with us in the investigation and settlement of the claim.
- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
 - (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage occurred, but not including any likely increase in Net Income attributable to an increase in the volume of business as a result of favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - (3) The operating expenses, including payroll expenses, to the extent insured, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
 - (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts;



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- b. The amount of Extra Expense will be determined based on:
 - (1) All reasonable and necessary expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if:

- a. You have complied with all of the terms of this Coverage Part; and
- b. We have reached agreement with you on the amount of loss or an appraisal award has been made.

At our option, we may make a partial payment toward any claims, subject to the policy provisions and our normal adjustment process. To be considered for a partial claim payment, you must submit a partial sworn proof of loss with supporting documentation. Any applicable deductibles must be satisfied before any partial payments are made.

E. ADDITIONAL CONDITION

Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

- a. The Coinsurance percentage shown for Business Income in the Declarations; times
 - (1) The Net Income (Net Profit or Loss before income taxes); and
 - (2) All operating expenses (including payroll expenses),
- b. The sum of:

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

1. Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
2. Divide the Limit of Insurance for the described premises by the figure determined in step 1; and
3. Multiply the total amount of loss by the figure determined in step 2.

We will pay the amount determined in step 3, or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

1. Prepaid freight - outgoing;

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2. Returns and allowances;
3. Discounts;
4. Bad debts;
5. Collection expenses;
6. Cost of raw stock and factory supplies consumed (including transportation charges);
7. Cost of merchandise sold (including transportation charges);
8. Cost of other supplies consumed (including transportation charges);
9. Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
10. Power, heat and refrigeration expenses that do not continue under contract (if form CP-15-11 is attached);
11. The amount of payroll expense excluded (when ordinary payroll is excluded or limited as stated in the Declarations); and
12. Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion - not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example No. 1 (Underinsurance):

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$150,000

The amount of loss is: \$80,000

Step 1: \$400,000 X 50% = \$200,000 (the minimum amount of insurance to meet your Coinsurance requirements)

Step 2: \$150,000/\$200,000 = .75

Step 3: \$80,000 X .75 = \$60,000

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

Example No. 2 (Adequate Insurance):

When: The Net Income and operating expenses for the 12 months following the inception, or last previous

anniversary date, of this policy at the described premises would have been: \$400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$200,000

The amount of loss is: \$80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 (\$400,000 X 50%). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This Condition does not apply to Extra Expense coverage.

F. OPTIONAL COVERAGES

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

1. Maximum Period of Indemnity

a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

b. The most we will pay for loss of Business Income, including Extended Business Income and Delayed Net Income Loss, Additional Coverages and Extra Expense is the lesser of:

(1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or

(2) The Limit of Insurance shown in the Declarations.

2. Monthly Limit of Indemnity

a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

b. The most we will pay for loss of Business Income including Extended Business Income and Delayed Net Income Loss Additional Coverages in each period of 30 consecutive days after the beginning of the "period of restoration" is:

(1) The Limit of Insurance, multiplied by

(2) The fraction shown in the Declarations for this Optional Coverage.



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Example:

When: The Limit of Insurance is:

The fraction shown in the Declarations for this Optional Coverage is: $1/4$

The most we will pay for loss in each period of 30 consecutive days is: $\$120,000 \times 1/4 = \$30,000$

If, in this example, the actual amount of loss is:

Days 1-30	\$40,000
Days 31-60	\$20,000
Days 61-90	\$30,000
	<hr/> <u>\$90,000</u>

We will pay:

Days 1-30	\$30,000
Days 31-60	\$20,000
Days 61-90	\$30,000
	<hr/> <u>\$80,000</u>

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

a. To activate this Optional Coverage:

- (1) A signed Business Income Worksheet must be submitted to and accepted by us. The Worksheet must show financial data for your "operations":
 - (a) For the most recent 12 months prior to the date of the Worksheet; and
 - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
- (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown on the Business Income Worksheet on file with us. The Agreed Value should be at least equal to:
 - (a) The Coinsurance percentage shown in the Declarations; multiplied by
 - (b) The amount of Net Income and operating expenses for the fol-

lowing 12 months you state on the Worksheet.

b. The Additional Condition, Coinsurance, is suspended until:

- (1) 12 months after the effective date of this Optional Coverage; or
 - (2) The expiration date of this policy, whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Worksheet and Agreed Value:
- (1) Within 12 months of the effective date of this Optional Coverage; or
 - (2) When you request a change in your Business Income Limit of Insurance.

4. Ordinary Payroll Limitation or Exclusion

a. To activate this Optional Coverage indicate the following in the Declarations:

- (1) Ordinary payroll is excluded; or
- (2) Ordinary payroll is limited to a specified number of days. The number of days may be used in two separate periods during the "period of restoration".

b. When ordinary payroll is excluded or limited:

- (1) In determining the operating expenses for the policy year for Coinsurance purposes, payroll expenses will not include ordinary payroll except for ordinary payroll incurred during the number of days shown in the Declarations. If the ordinary payroll for the policy year varies during the year, the period of greatest ordinary payroll will be used.
- (2) Ordinary payroll means payroll expenses for all your employees except:
 - (a) Officers;
 - (b) Executives;
 - (c) Department managers;
 - (d) Employees under contract; and
 - (e) Additional Exemptions, shown in the Declarations or by endorsement as:
 - (i) Job Classifications; or

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- (ii) Employees specifically listed by name.
- (3) Ordinary payroll includes:
 - (a) Payroll;
 - (b) Employee benefits, if directly related to payroll;
 - (c) FICA and Medicare payments;
 - (d) Union dues; and
 - (e) Worker's compensation premiums.

G. DEFINITIONS

- 1. "Electronic Data Processing Data and Media" means:
 - a. Data stored as or on, created or used on, or transmitted to or from computer software (including systems and application software) on electronic data processing, recording or storage media such as hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment;
 - b. The electronic media on which the data is stored; and
 - c. Programming records and instructions used for "Electronic Data Processing Equipment".
 - 2. "Electronic Data Processing Equipment" means any of the following equipment used in your data processing operations:
 - a. Electronic data processing equipment, facsimile machines, word processors, multi-functional telephone equipment and laptop and portable computers; and
 - b. Any component parts and peripherals of such equipment, including related surge protection devices.
 - 3. "Finished Stock" means stock you have manufactured.
- "Finished Stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.
- "Finished Stock" does not include stock you have manufactured that is held for sale on

the premises of any retail outlet insured under this Coverage Part.

- 4. "Operations" means:
 - a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.
- 5. "Period of Restoration" means the period of time after direct physical loss or damage caused by or resulting from a Covered Cause of Loss at the described premises which:
 - a. Begins:
 - (1) Unless a different time period is indicated in the Declarations, 72 hours after the time of direct physical loss or damage for Business Income coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage;
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

- 6. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste and any unhealthful or hazardous building materials (including, but not limited to asbestos and lead products or materials containing lead). Waste includes mate-



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rials to be recycled, reconditioned or reclaimed.

7. "Rental Value" means Business Income that consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations, as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
- b. Continuing normal operating expenses incurred in connection with that premises, including:

(1) Payroll; and

(2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

8. "Suspension" means:

- a. The partial or complete cessation of your business activities; or
- b. That a part or all of the described premises is rendered untenantable, if coverage for Business Income, including "Rental Value" or "Rental Value" applies.

CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to SECTION F – DEFINITIONS.

A. COVERED CAUSES OF LOSS

When Special is shown in the Declarations, Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

- 1. Excluded in Section B., Exclusions; or**
 - 2. Limited in Section C., Limitations;**
that follow.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance or law.

- (1) Regulating the construction, use or repair of any property; or
 - (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance or Law, applies whether the loss results from . . .

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
 - (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
 - (2) Landslide, including any earth sinking, rising or shifting related to such event;
 - (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth, sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

all whether naturally occurring or due to man-made or other artificial causes.

But if Earth Movement, as described in b.
(1) through (4) above, results in fire or
explosion, we will pay for the loss or
damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion: But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
 - (b) Ash, dust or particulate matter; or
 - (c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority:

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to

- prevent its spread, if the fire would be covered under this Coverage Part.
- d. Nuclear Hazard**
- Nuclear reaction or radiation, or radioactive contamination, however caused. But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.
- e. Utility Services**
- The failure or fluctuation of power or other utility service supplied to the described premises, however caused, if the failure or fluctuation occurs away from the described premises. But if the failure or fluctuation of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss. This exclusion does not apply to Business Income Coverage or Extra Expense Coverage. Instead, the Special Exclusion in paragraph B.4.a.(1) applies to these coverages.
- f. War And Military Action**
- (1) War, including undeclared or civil war;
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
 - (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- g. Water**
- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
 - (2) Mudslide or mudflow;
 - (3) Water or sewage that backs up or overflows from a sewer, drain, or sump; or
 - (4) Water under the ground surface pressing on, or flowing or seeping through:
- (a) Foundations, walls, floors, or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings,
- all whether naturally occurring or due to man-made or other artificial causes. But if Water, as described in g.(1) through g.(4) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.
- h. Neglect**
- Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- Exclusions B.1.a. through B.1.h. apply whether or not the loss event results in widespread damage or affects a substantial area.
- 2. We will not pay for loss or damage caused by or resulting from any of the following:**
- a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, equipment, appliances or wires. But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.
 - b. Delay, loss of use or loss of market.
 - c. Smoke, vapor or gas from agricultural smudging or industrial operations.
 - d. (1) Wear and tear;
 - (2) Rust, other corrosion, fungus, decay, deterioration, hidden or latent defect, or any quality in property that causes it to damage or destroy itself;
 - (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;
 - (5) Nesting or infestation or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
 - (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator colli-

- tion, we will pay for the loss or damage caused by that elevator collision;
- (7) The following causes of loss to personal property:
- (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature;
 - (c) Marring or scratching;
 - (d) Changes in flavor, color, texture or finish;
 - (e) Evaporation or leakage; or
- (8) Contamination by other than "pollutants".

But if an excluded cause of loss that is listed in 2.d.(1) through (8) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained.

h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees); directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property.
- j. Rain, snow, sand, dust, ice or sleet to personal property in the open.
- k. Collapse, except as provided below in the Additional Coverage – Collapse. But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.
- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified cause of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

- m. The cost of correcting or making good the damage to personal property attributable to such property being processed, manufactured, tested, repaired, restored, retouched or otherwise being worked upon.
- 3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. and 3.b. results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss.



a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in B.1. above to produce the loss or damage.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance, repair or replacement of part or all of any property on or off the described premises.

If an excluded cause of loss that is listed in 3.c. above results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss. But we will not pay for:

(1) Any cost of correcting or making good the fault, inadequacy or defect itself, including any cost incurred to tear down, tear out, repair or replace any part of any property to correct the fault, inadequacy or defect; or

(2) Any resulting loss or damage by a Covered Cause of Loss to the property that has the fault, inadequacy or defect until the fault, inadequacy or defect is corrected.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms and/or coverages when they are part of this policy.

a. **Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form**

We will not pay for:

(1) Any loss caused directly or indirectly by the failure or fluctuation of power or other utility service supplied to the described premises, however caus-

ed, if the failure occurs outside of a covered building.

But if the failure or fluctuation of power or other utility service results in loss or damage by a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

(2) Any loss caused by or resulting from:

(a) Damage or destruction of "finished stock"; or

(b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

(3) Any loss caused by or resulting from direct physical loss of or damage to the following property while outside of buildings:

(a) Harvested grain, hay, straw or other crops;

(b) Outdoor trees, shrubs, plants, lawns (including fairways, greens and tees); growing crops, land or water; and

(c) Radio or television antennas, (including microwave or satellite dishes) and their lead-in wiring, masts or towers.

(4) Any increase of loss caused by or resulting from:

(a) Delay in rebuilding, repairing or replacing the property or resuming "operations" due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration", in accordance with the terms of the Extended Business Income Additional Coverage, or any variation of these.



- (5) Any Extra Expense caused by or resulting from suspension, lapse, or cancellation of any license, lease or contract beyond the "period of restoration".

(6) Any other consequential loss.

b. Leasehold Interest Coverage Form

The following applies to this Coverage Form:

- (1) Exclusion B.1.a., Ordinance or Law, does not apply; and
 - (2) We will not pay for any loss caused by:
 - (a) Your cancelling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:

 - (a) Paragraph B.1.a., Ordinance or Law;
 - (b) Paragraph B.1.c., Governmental Action;
 - (c) Paragraph B.1.d., Nuclear Hazard;
 - (d) Paragraph B.1.e., Utility Services; and
 - (e) Paragraph B.1.f. War and Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim, or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and

- (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

d. Electronic Data Processing Equipment; Electronic Data Processing Data and Media; Valuable Papers and Records and Accounts Receivable Coverages

(1) Exclusions:

- (a) B. 2. a., which excludes loss caused by or resulting from artificially generated electrical current that disturbs electrical devices, equipment, appliances or wires; and

(b) B. 2.c., which excludes loss caused by or resulting from smoke, vapor, or gas from agricultural smudging or industrial operations;

- (2) With respect to "Electronic Data Processing Equipment" and "Electronic Data Processing Data and Media".

- (a) **Exclusion B.2.d.(6)**, which excludes loss caused by or resulting from mechanical breakdown, including rupture or bursting of pipes, does not apply. The remainder of the **B.2.d.** exclusion continues to apply, but if a cause of loss listed in **B.2.d.(1)** through **(5)** and **B.2.d.(7)** results in mechanical breakdown of "Elec-

tronic Data Processing Equipment" or in any of the "specified cause of loss", we will pay for the resulting loss or damage.

(b) The following exclusion is added:

We will not pay for loss or damage to "Electronic Data Processing Equipment" and "Electronic Data Processing Data and Media"; or loss of Business Income or Extra Expense, that is a consequence of loss or damage to "Electronic Data Processing Equipment" and "Electronic Data Processing Data and Media", caused by or resulting from any of the following:

- (i) Programming errors, omissions or incorrect instructions to a machine. But if programming errors, omissions or incorrect instructions to a machine results in a "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment", we will pay for the resulting loss or damage;
- (ii) Unauthorized viewing, copying or use of electronic data (or any proprietary or confidential information or intellectual property in any form) by any person, even if such activity is characterized as theft;
- (iii) Errors or deficiency in design, installation, maintenance, repair or modification of your computer system or any computer system or network to which your system is connected or on which your system depends (including electronic data). But if errors or deficiency in design, installation, maintenance, repair or modification of your computer system or any computer system or network to which your system is connected or on which your system depends (including electronic data) results in a

"specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment", we will pay for the resulting loss or damage; or

(iv) Unexplained or indeterminable failure, malfunction or slowdown of a computer system, including electronic data and the inability to access or properly manipulate the electronic data.

(c) The second paragraph of the Utility Services Exclusion, B.1.e., and the Special Exclusion applicable to Business Income or Extra Expense coverage, B.4.a.(1), are deleted and replaced by the following:

But if the failure or fluctuation of power or other utility service results in a Covered Cause of Loss (other than mechanical breakdown of "Electronic Data Processing Equipment" or loss or damage from artificially generated electrical current which disturbs electrical devices, equipment, appliances or wires), we will pay for the resulting loss or damage caused by that Covered Cause of Loss.

(3) With respect to Accounts Receivable coverage, we will not pay for:

- (a) Loss caused by or resulting from bookkeeping, accounting or billing errors or omissions;
- (b) Loss that requires an audit of records or any inventory computation to prove its factual existence; or
- (c) Loss caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property. But this exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (4) With respect to "Valuable Papers and Records" coverage, we will not pay for any loss or damage caused by or resulting from:
 - (a) Unauthorized viewing, copying or use of electronic data (or any proprietary or confidential information or intellectual property in any form) by any person, even if such activity is characterized as theft; or
 - (b) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the resulting loss or damage caused by that fire or explosion.

C. LIMITATIONS

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

- 1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - c. The "interior of any building or structure", or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
 - d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft. However, this limitation does not apply to:
 - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income coverage or Extra Expense coverage.
 - e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
 - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
2. We will not pay for loss of or damage to the following types of property unless caused by a "specified cause of loss" or building glass breakage:
- a. Live animals, birds, or fish and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass that is part of a building or structure; or
 - (2) Containers of property held for sale.
 - c. Builders' machinery, tools, and equipment owned by you or entrusted to you, provided such property is Covered Property. However, this limitation does not apply:
 - (1) If the property is located on or within 1,000 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
 - (2) To Business Income coverage or to Extra Expense coverage.
3. The special limit shown for each category, a through d., is the total limit for loss of or



damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:

- a. \$5,000 for furs, fur garments and garments trimmed with fur;
- b. \$5,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item;
- c. \$25,000 for patterns, dies, molds and forms;
- d. \$1,000 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, C.3., does not apply to Business Income coverage or to Extra Expense coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

However, this limitation does not apply to Business Income coverage or to Extra Expense coverage.

5. If the building where loss or damage occurs has been "vacant" for more than 60 consecutive days before that loss or damage occurs:

- a. We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (1) Vandalism;
 - (2) Sprinkler leakage, unless you have protected the system against freezing;
 - (3) Building glass breakage;
 - (4) Discharge or leakage of water;

- (5) Theft; or
 - (6) Attempted theft.
- b. With respect to Covered Causes of Loss other than those listed in 5.a.(1) through 5.a.(6) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

D. ADDITIONAL COVERAGE – COLLAPSE

The term "Covered Cause of Loss" includes the Additional Coverage – Collapse as described and limited in D.1., through D.5. below.

1. With respect to buildings, collapse means:
 - a. An abrupt falling down or caving in of a building or any portion of a building with the result that the building or portion of the building cannot be occupied for its intended purpose; or
 - b. A building or any portion of a building that has not abruptly fallen down or caved in, but is in imminent danger of abruptly falling down or caving in, or has suffered a substantial impairment of structural integrity.

A building that is standing or any portion of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion, unless the building is in imminent danger of abruptly falling down or caving in or has suffered a substantial impairment of structural integrity.

2. a. We will pay for direct physical loss or damage to Covered Property, caused by the collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if the building or any portion of the building is in a state of collapse (as defined in 1.a. and b. above) and the state of collapse is caused by:

- (1) A "specified cause of loss" or breakage of building glass;
- (2) Weight of people or personal property; or
- (3) Weight of rain that collects on a roof; and

- b. When a building or any portion of a building has abruptly fallen down or



caved in and can no longer be occupied for its intended purpose, we will also pay for any direct physical loss or damage to Covered Property caused by:

- (1) Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- (2) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse; or
- (3) Use of defective material or methods in construction, remodeling or renovation if the building abruptly falls down or caves in during the course of the construction, remodeling or renovation. However, if the abrupt falling down or caving in of the building occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in D.2.a., D.2.b. (1) and D.2.b.(2) above, we will pay for the loss or damage even if use of defective material or methods, in construction, remodeling, or renovation, contributes to the abrupt falling down or caving in.

3. With respect to the following property:

- a. Outdoor radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers;
- b. Awnings, gutters and downspouts;
- c. Yard fixtures;
- d. Outdoor swimming pools;
- e. Fences;
- f. Piers, pilings, wharves, docks, dikes or dams;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

if the collapse is caused by a cause of loss listed in D.2.a.(2), D.2.a.(3), and D.2.b.(1) through D.2.b.(3) above, we will pay for loss or damage to that property only if:

- a. Such loss or damage is a direct result of an abrupt falling down or caving in of a covered building or any portion of a cov-

ered building insured under this Coverage Form; and

- b. The property listed in 3. a. through 3. i. above is Covered Property under this Coverage Part.
4. If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse was caused by a Cause of Loss listed in D. 2. a. and D. 2. b. above;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in 3. above, regardless of whether that kind of property is considered to be personal property or real property:

The coverage stated in this Paragraph 4. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

5. This Additional Coverage - Collapse does not increase the Limits of Insurance provided in this Coverage Part.

E. ADDITIONAL COVERAGE EXTENSIONS

1. Water Damage, Other Liquids, Powder or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

This Coverage Extension does not increase the Limit of Insurance.

2. Glass

In the event of loss or damage to covered glass under this Coverage Part:

- a. We will pay for expenses incurred to put up temporary plates or board-up openings if repair or replacement of damaged glass is delayed; and

- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension does not increase the Limit of Insurance.

F. DEFINITIONS

1. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste and any unhealthful or hazardous building material. (Including but not limited to asbestos and lead products or materials containing lead.) Waste includes materials to be recycled, reconditioned or reclaimed.
2. "Specified Cause of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse (as defined below); volcanic action; falling objects (as limited below); weight of snow, ice or sleet; water damage (as defined below), all only as otherwise insured against in this Coverage Part.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The "interior of a building or structure", or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object. Any portion of a building or structure that is within the exterior-facing surface material of a building or struc-

ture shall constitute the interior of that building or structure.

- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) that is located on the described premises and contains water or steam.

When the Causes of Loss – Earthquake endorsement, Causes of Loss – Earthquake Sprinkler Leakage endorsement, or Causes of Loss – Broad Form Flood endorsement is included in this policy, "specified cause of loss" also includes such cause of loss, but only to the extent such cause of loss is insured against under this Coverage Part.

3. "Vacant" means:
 - a. When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
 - b. When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
 - (1) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
 - (2) Used by the building owner to conduct customary operations.
4. Buildings under construction or renovation are not considered vacant.

"Interior of any building or structure" means all portions of a building or structure that are within the exterior facing surface material of the building or structure.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAUSES OF LOSS – EQUIPMENT BREAKDOWN

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. ADDITIONAL COVERED CAUSE OF LOSS – EQUIPMENT BREAKDOWN

Covered Causes of Loss and "specified cause(s) of loss" are extended to include Equipment Breakdown; meaning a Breakdown to Covered Equipment as defined and limited in this endorsement.

1. Breakdown

a. Breakdown means:

- (1) Failure of pressure or vacuum equipment;
- (2) Mechanical failure, including rupture or bursting caused by centrifugal force; or
- (3) Electrical failure, including arcing, that causes physical damage to Covered Equipment and necessitates its repair or replacement.

b. Breakdown does not mean or include:

- (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
- (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (3) Damage to any vacuum tube, gas tube, or brush;
- (4) Damage to any structure or foundation supporting the Covered Equipment or any of its parts;
- (5) The functioning of any safety or protective device; or
- (6) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.

c. If an initial Equipment Breakdown causes other Equipment Breakdowns, all will be considered one Equipment Breakdown. All Equipment Breakdowns that manifest themselves at the same time and are the direct result of the same cause will also

be considered one Equipment Breakdown.

2. Covered Equipment

a. Covered Equipment means equipment of a type listed in provision 2. b. below that is:

(1) At any of the following locations:

(a) At or within 1,000 feet of the described premises; or

(b) At any of the following locations, but only to the extent that coverage for direct physical loss or damage to Covered Property at such locations or for Business Income and/or Extra Expense resulting from direct physical loss or damage to property at such locations, is otherwise specifically insured and limited under this Coverage Part:

(i) Newly acquired or constructed property locations, or within 1,000 feet of such locations;

(ii) Undescribed premises, meaning premises you do not own, lease or regularly operate at which Covered Property is temporarily located; or

(iii) "Dependent property" locations;

and

(2) (a) Owned or leased by you or operated under your control; or

(b) Owned or leased by, or operated under the control of others who own, lease or operate the undescribed premises (as defined in (1) (b) (ii) above) or "dependent property" locations where the insurance provided under this Coverage Part applies;

COMMERCIAL PROPERTY

and

- (3) Not otherwise excluded under provision 2.c. below.
- b. Covered Equipment includes the following types of equipment:
 - (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;
 - (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; and
 - (3) Fiber optic cable.
- c. Covered Equipment does not mean or include any:
 - (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
 - (2) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
 - (3) Insulating or refractory material;
 - (4) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or a Code that has been accepted by the National Board of Boiler and Pressure Vessel Inspectors;
 - (5) Catalyst;
 - (6) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
 - (7) Structure, foundation, cabinet, or compartment supporting or containing the Covered Equipment or part of the Covered Equipment including penstock, draft tube or well casing;
 - (8) Vehicle, aircraft, self-propelled equipment or floating vessel, including any equipment mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel;
 - (9) Dragline, power shovel, excavation or construction equipment including any equipment mounted on or used solely with any dragline, power shovel, excavation or construction equipment;
 - (10) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment;
 - (11) Felt, wire, screen, mold, form, pattern, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;
 - (12) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellites and/or spacecraft (including satellite or spacecraft contents and/or their launch sites);
 - (13) Computer equipment or electronic data processing equipment unless used to control or operate other equipment that is Covered Equipment;
 - (14) Equipment or any part of such equipment manufactured by you for sale; or
 - (15) Equipment while in the due course of transit.

B. EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS

1. Spoilage

- a. Under the:
 - Building and Personal Property Coverage Form;
 - Condominium Association Coverage Form;
 - Condominium Commercial Unit-Owners Coverage Form;

the insurance that applies to Your Business Personal Property and Personal Property of Others is extended to apply to direct physical loss or damage to such Covered Property that is:

- (1) Maintained under controlled conditions for its preservation; and
- (2) Susceptible to loss or damage if the controlled conditions change; due to spoilage resulting from lack or excess of power, light, heat, steam or re-

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frigeration that is caused solely by a Breakdown to Covered Equipment.

Insurance under this Coverage Extension includes the reasonable expense you incur to reduce or avert the spoilage loss or damage, but only to the extent the amount of loss otherwise payable under this Coverage Extension is reduced.

- b. The most we will pay for loss or damage under this Coverage Extension arising out of any one Equipment Breakdown is the Spoilage Limit of Insurance shown in the Schedule of this endorsement. This limit is part of and not in addition to the Limit of Insurance that applies to the lost or damaged Covered Property.
- c. We will not pay for any loss or damage under this Coverage Extension that results from your failure to use due diligence and dispatch and all reasonable means to protect the property from spoilage damage following a Breakdown to Covered Equipment.

2. Utility Services Property

- a. Subject to provision 2. b. below, Covered Equipment is extended to include equipment, wherever located within the Coverage Territory, that is:

- (1) Owned, operated or controlled by a local public or private utility or distributor that directly generates, transmits, distributes or provides utility services to the described premises; and
- (2) Used to supply water, communication or power services to the described premises.

- b. This Coverage Extension applies:

- (1) Only with respect to; and
- (2) Subject to the Limit(s) of Insurance that apply to;

the insurance, if any, otherwise provided under this Coverage Part for loss or damage caused by an interruption of power or other utility service supplied to the described premises caused by or resulting from direct physical loss or damage by a Covered Cause of Loss to the utility services equipment described in 2. a. above.

3. Expediting Expense

In the event of covered direct physical loss or damage to Covered Property under the:

- a. Building and Personal Property Coverage Form;
- b. Condominium Association Coverage Form; or
- c. Condominium Commercial Unit-Owners Coverage Form;

caused by or resulting from a Breakdown to Covered Equipment, we will pay for the reasonable additional expenses you necessarily incur to make temporary repairs to, or expedite the permanent repair or replacement of, the lost or damaged Covered Property.

Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.

The most we will pay under this Coverage Extension for all Expediting Expenses arising out of any one Equipment Breakdown is the Expediting Expenses Limit of Insurance shown in the Schedule of this endorsement. This limit is part of and not in addition to the Limit of Insurance that applies to lost or damaged Covered Property.

C. EQUIPMENT BREAKDOWN EXCLUSIONS

- 1. All of the Exclusions that apply to this Coverage Part apply to loss or damage under this endorsement, except as follows:

- a. When the Causes of Loss – Basic Form applies, Exclusions B. 2. a., B. 2. d. and B. 2. e. do not apply.
- b. When the Causes of Loss – Broad Form applies, Exclusions B. 2. a., B. 2. b. and B. 2. c. do not apply.
- c. When the Causes of Loss – Special Form applies, Exclusions B. 2. a., B. 2. d. (6) and B. 2. e. do not apply.

- 2. The following additional exclusions apply to the insurance provided by this endorsement:

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- a. Lack or excess of power, light, heat, steam or refrigeration. But this exclusion does not apply to:



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- (1) Business Income coverage or Extra Expense coverage; or
- (2) The Spoilage Coverage Extension or Utility Services Property Coverage Extension;
- b. Hydrostatic, pneumatic or gas pressure testing of any boiler, fired vessel or electrical steam generator; or
- c. Insulation breakdown testing of any type of electrical or electronic equipment.

D. EQUIPMENT BREAKDOWN LIMITATIONS

All of the Limitations that apply to this Coverage Part apply to loss or damage under this endorsement, except as follows:

1. When the Causes of Loss – Special Form applies, Limitations C. 1. a. and C. 1. b. do not apply.
2. The following additional Limitations apply to the insurance provided by this endorsement. These Limitations are included in, and do not increase the applicable Limit(s) of Insurance.

a. Ammonia Contamination Limitation

The most we will pay for loss or damage to property caused by ammonia contamination that directly results from a Breakdown to Covered Equipment is the Ammonia Contamination Limit of Insurance shown in the Schedule of this endorsement.

This limitation does not apply to Business Income coverage or to Extra Expense coverage.

b. Hazardous Substance Limitation

If as a direct result of a Breakdown to Covered Equipment, property is damaged, contaminated or polluted by a substance, other than ammonia, that is declared to be hazardous to health by a governmental agency, the Hazardous Substance Limit of Insurance shown in the Schedule of this endorsement is the most we will pay for:

- (1) Any additional expenses you incur to clean up, repair, replace or dispose of any such property that is Covered Property under this Coverage Part; and
- (2) Any increase in loss of Business Income or Extra Expense due to the additional time required to clean up,

repair, replace or dispose of the property, provided Business Income or Extra Expense loss resulting from damage to such property is otherwise insured against under this Coverage Part. Subject to the Hazardous Substance Limit of Insurance, the term "period of restoration", as used in the Business Income and/or Extra Expense insurance provided under this Coverage Part is extended to include this additional period of time.

As used in this Limitation, additional expenses and increase in loss mean expenses and loss incurred beyond the expenses and loss for which we would have been liable had no substance declared to be hazardous to health by a governmental agency been involved.

E. EQUIPMENT BREAKDOWN LIMITS OF INSURANCE

1. The insurance provided under this endorsement for loss or damage caused by or resulting from Equipment Breakdown is included in, and does not increase the Covered Property, Business Income, Extra Expense and other coverage Limits of Insurance that otherwise apply under this Coverage Part.
2. Payments under the Equipment Breakdown Coverage Extensions will not increase the applicable Limit(s) of Insurance.

F. EQUIPMENT BREAKDOWN DEDUCTIBLE

1. Unless otherwise indicated in the Schedule of this endorsement, the insurance provided under this endorsement for loss or damage caused by or resulting from Equipment Breakdown is subject to the deductibles that otherwise apply under this Coverage Part.
2. When one or more separate deductibles are indicated in the Schedule of this endorsement, each such deductible shall be applied separately to the applicable coverage for which the deductible is indicated, as follows:

a. Dollar Deductible

If a dollar deductible is shown in the Schedule, we will not pay for loss or damage until the amount of loss or damage to which the deductible applies exceeds the applicable dollar deductible. We will then pay the amount of loss or damage in excess of the dollar deducti-

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ble, up to the applicable Limit of Insurance.

b. Time Period Deductible

If a time period deductible is shown in the Schedule, we will not pay for any loss to which the deductible applies that occurs during the specified time period immediately following a Breakdown to Covered Equipment.

c. Average Daily Value Deductible

If an average daily value deductible is shown in the Schedule, this deductible will be calculated as follows:

- (1) For all of the described premises where you incur Business Income or Extra Expense loss due to a Breakdown to Covered Equipment; determine the total amount of Business Income that would have been earned or incurred by you during the "period of restoration" had no Breakdown to Covered Equipment occurred.
 - (2) Divide the amount determined in paragraph (1) by the number of days the business would have been open during the "period of restoration". The result is the average daily value.
 - (3) Multiply the average daily value in paragraph (2) by the Multiple of Average Daily Value shown in the Schedule. We will first subtract this deductible amount from any loss we would otherwise pay. We will then

pay the amount of loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

d. Percentage of Loss Deductible

If a deductible is expressed as a percentage of loss in the Schedule, we will not be liable for the indicated percentage of the gross amount of loss or damage insured under the applicable coverage.

**G. EQUIPMENT BREAKDOWN ADDITIONAL
CONDITION**

The following Additional Condition applies to the insurance provided under this endorsement:

Suspension

If any Covered Equipment is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance provided by this endorsement for loss or damage caused by or resulting from a Breakdown to that Covered Equipment. This can be done by delivering or mailing a notice of suspension to:

1. Your last known address; or
 2. The address where the Covered Equipment is located.

Once suspended in this way, such insurance can only be reinstated by a written endorsement issued by us. If we suspend your insurance, you will get a pro rata refund of premium for that Covered Equipment. But the suspension will be effective even if we have not yet made or offered a refund.



EQUIPMENT BREAKDOWN SCHEDULE**Limits of Insurance:**

* Spoilage:	\$25,000 unless a higher amount is shown	\$
* Expediting Expenses:	\$25,000 unless a higher amount is shown	\$
* Ammonia Contamination:	\$25,000 unless a higher amount is shown	\$
* Hazardous Substance:	\$25,000 unless a higher amount is shown	\$

Deductible Exceptions: Commercial Property Coverage Part Deductibles apply to loss or damage under this endorsement, except as follows:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS INCOME CHANGES – PERSONAL PROPERTY IN THE OPEN OR IN A VEHICLE

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

EXTRA EXPENSE COVERAGE FORM

The following changes apply to the respective Coverage Forms, if attached to this policy:

1. Paragraph A.1.c. of the Business Income (and Extra Expense) Coverage Form and the Business Income (Without Extra Expense) Coverage Form is deleted and replaced by the following:

(c) We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss

of or damage to property in the open or property in a vehicle, the described premises includes the area within 1,000 feet of the described premises.

2. The first paragraph of Section A. COVERAGE of the Extra Expense Coverage Form is deleted and replaced with the following:

We will pay the actual reasonable and necessary Extra Expense you sustain due to direct physical loss of or damage to property at premises which are described in the Declarations and for which an Extra Expense Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to property in the open or property in a vehicle, the described premises includes the area within 1,000 feet of the described premises.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY EXTRA PLUS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUSINESS INCOME COVERAGE FORM (AND EXTRA EXPENSE)
BUSINESS INCOME COVERAGE FORM (WITHOUT EXTRA EXPENSE)
CAUSES OF LOSS – SPECIAL FORM

A. The BUILDING AND PERSONAL PROPERTY COVERAGE FORM is revised as follows:

1. The following coverages contained in Section A.4. Additional Coverages are revised as follows:

a. **Debris Removal Additional Amount – Increased Limit**

The additional amount for debris removal expense in the Debris Removal Additional Coverage for each of your premises is increased to \$50,000.

b. **Fire Department Service Charge – Increased Limit**

The Limit of Insurance that applies to the Fire Department Service Charge Additional Coverage is increased to \$25,000.

c. **Reward Coverage – Increased Limit**

The Limit of Insurance that applies to the Reward Coverage Additional Coverage is increased to \$25,000.

d. **Fire Protective Equipment Discharge – Increased Limit**

The Limit of Insurance that applies to the Fire Protective Equipment Discharge Additional Coverage is increased to \$25,000.

2. The following coverages are added under Section A.4. Additional Coverages. Each of these Additional Coverages is additional insurance unless otherwise indicated.

a. **Lessor's Leasehold Interest**

(1) We will pay for the loss of Covered Leasehold Interest you sustain due to the cancellation of lease contracts by tenants. The cancellation must result from direct physical loss of or damage to your Covered Property at the premises described in the Declarations caused by or resulting from a

Covered Cause of Loss during the term of this policy.

Covered Leasehold Interest means the difference between the:

(a) Rent you were collecting at the described premises prior to the loss; and

(b) "Rental Value" of the described premises after loss or damage has been repaired or rebuilt.

(2) Covered Leasehold Interest does not include refunds or rebates of:

(a) Prepaid rent;

(b) Security or other deposits made by tenants; and

(c) Insurance, taxes or other payments made on your behalf by tenants.

(3) The most we will pay under this Additional Coverage is the least of the following:

(a) Your Covered Leasehold Interest for the 12 months immediately following the "period of restoration" and ending with the normal expiration date of each canceled lease; or

(b) \$25,000 for all Covered Leasehold Interest of all tenants canceling their leases arising out of an occurrence at a described premises.

(4) The following Definitions are added:

(a) "Period of Restoration" means:

(i) The time period that begins with the date of direct physical loss or damage caused by or resulting from a Cov-

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ered Cause of Loss at the described premises; and

- (ii) Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and ready for occupancy.

"Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (i) Regulates the construction, use, or repair, or requires the tearing down of any property, or
- (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

- (b) "Rental Value" means the:

- (i) Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you; and
- (ii) Amounts of all charges which are the legal obligations of the tenants which would otherwise be your obligations.

b. Ordinance or Law

- (1) If a Covered Cause of Loss occurs to covered Building property, we will pay for:

- (a) Loss to the Undamaged Portion of the Building caused by enforcement of any ordinance or law that:
 - (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
 - (ii) Regulates the construction or repair of buildings; or establishes zoning or land use re-

quirements at the described premises; and

- (iii) Is in force at the time of loss.

- (b) Demolition Cost, meaning the cost to demolish and clear the site of undamaged parts of the Building property caused by enforcement of the building, zoning or land use ordinance or law.

- (c) The Increased Cost of Construction caused by enforcement of building, zoning or land use ordinance or law, meaning the increased cost to repair, rebuild or construct the property in compliance with the minimum requirements of such ordinance or law. This increased cost of construction coverage is subject to the following provisions:

- (i) This coverage applies only if:

- (A) The Building property is insured for replacement cost;

- (B) The Building property is repaired, rebuilt or reconstructed; and

- (C) The repaired, rebuilt, or constructed Building property is intended for similar occupancy as the current Building property, unless otherwise required by zoning or land use ordinance or law.

- (ii) We will not pay for the Increased Cost of Construction:

- (A) Until the Building property is actually repaired or replaced at the same premises or another premises; and

- (B) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (2) The most we will pay under provisions b. (1) (a), b. (1) (b) and b. (1)



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(c) of this Ordinance or Law Additional Coverage for the total of all loss arising out of any one occurrence is \$250,000.

Subject to this Ordinance or Law Limit of Insurance:

(a) The insurance provided under this Additional Coverage for Loss to the Undamaged Portion of the Building is limited as follows:

(i) If the Replacement Cost Coverage Option applies and the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:

(A) The amount you actually spend to repair, rebuild or reconstruct the undamaged portion of the Building; or

(B) The amount it would cost to restore the undamaged portion of the Building, on the same premises and to the same height, floor area, style and comparable quality of the original undamaged portion of the Building.

(ii) If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the actual cash value of the undamaged portion of the Building at the time of loss.

(b) We will not pay more for Demolition Costs than the amount you actually spend to demolish and clear the site of the described premises.

(c) The insurance provided under this Additional Coverage for Increased Cost of Construction is limited as follows:

(i) If the Building property is repaired or replaced at the same premises, or if you

elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

(ii) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

(3) We will not pay under this Ordinance or Law Additional Coverage for:

(a) Loss due to any ordinance or law that:

(i) You were required to comply with before the loss, even if the building was undamaged; and

(ii) You failed to comply with.

(b) Costs associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of "pollutants".

(4) The Ordinance or Law exclusion in the applicable Causes of Loss Form does not apply to this Additional Coverage.

c. Tenant Move Back Expenses

(1) We will reimburse you for expenses you pay for Covered Tenant Move Back Expenses of tenants who temporarily vacate a portion of the building at the premises described in the Declarations.

The vacancy must have occurred while the portion of the building rented by the tenant could not be occupied due to direct physical loss of or damage to your Covered Property caused by or resulting from a Covered Cause of Loss during the term of this policy. The expiration date of this policy will not preclude payment of the Tenant Move Back Expenses.

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incurred by you after that date, but the coverage applies:

- (a) Only to Tenant Move Back Expenses that are incurred within 60 days after the date tenantability of the building should have been restored with reasonable speed; and
 - (b) Only with respect to tenants who move back within that 60 day period.
- (2) Covered Tenant Move Back Expenses means only documented, reasonable and necessary expenses of:
- (a) Packing, insuring and transporting business personal property;
 - (b) Reestablishing electric utility and communications services, less refunds from discontinued services;
 - (c) Assembling and setting up fixtures and equipment; and
 - (d) Unpacking and reshelfing stock and supplies.
- (3) If the tenants have valid and collectible insurance which would pay for such Tenant Move Back Expenses, we will pay only for the amount of Covered Tenant Move Back Expenses in excess of the amount payable from such other insurance.
- (4) The most we will pay under this Additional Coverage for all Tenant Move Back Expenses arising out of any one occurrence at each described premises, regardless of the number of tenants involved is \$25,000.
3. The following coverages contained in Section A.5. Coverage Extensions are revised as follows:

a. **Newly Acquired or Constructed Property – Increased Limit**

The Limits of Insurance applicable to the Newly Acquired or Constructed Property Coverage Extension as respects buildings is increased to \$1,000,000 at each building; and as respects Your Business Personal Property, Personal Property of Others, "Electronic Data Processing Equipment" and "Electronic Data Processing Data and Media", the limit is in-

creased to \$500,000 in total at each location.

b. **Valuable Papers and Records – Cost of Research – Increased Limit**

The Limit of Insurance that applies to the Valuable Papers and Records – Cost of Research Coverage Extension is increased to \$25,000.

c. **Property Off-Premises – Increased Limit**

The Limits of Insurance that apply to the Property Off-Premises Coverage Extension are revised as follows:

- (1) The Limit of Insurance that applies while the property is at any installation premises or temporary storage premises while awaiting installation is increased to \$25,000; and
- (2) The Limit of Insurance that applies while the property is away from the described premises at any other location provided for in the Coverage Extension is increased to \$50,000.

d. **Claim Data Expense – Increased Limit**

The Limit of Insurance that applies to the Claim Data Expense Coverage Extension is increased to \$10,000.

e. **Extra Expense (Including Expediting Expenses) – Increased Limit**

The Limit of Insurance that applies to the Extra Expense (Including Expediting Expenses) Coverage Extension is increased to \$25,000.

f. **Accounts Receivable – Increased Limit**

The Limit of Insurance that applies to the Accounts Receivable Coverage Extension is increased to \$25,000.

g. **Covered Property In Transit – Increased Limit**

The Limit of Insurance that applies to the Covered Property In Transit Coverage Extension is increased to \$25,000.

4. The following coverages are added to Section A.5. Coverage Extensions. Each of these Coverage Extensions are additional insurance, unless otherwise indicated. The Additional Condition, Coinsurance does not apply to these Additional Coverage Extensions.

a. **Appurtenant Buildings and Structures**

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- (1) At the described premises where Building coverage applies:
 - (a) You may extend the insurance that applies to Buildings to apply to direct physical loss or damage by a Covered Cause of Loss to incidental appurtenant buildings or structures which are at the described premises but not specifically described in the Declarations; and
 - (b) You may extend the insurance that applies to Your Business Personal Property, Personal Property of Others, "Electronic Data Processing Equipment" and "Electronic Data Processing, Data and Media", if any, to apply to direct physical loss or damage by a Covered Cause of Loss to such property located within incidental appurtenant buildings or structures which are at the described premises but not specifically described in the Declarations.
- (2) Incidental appurtenant buildings or structures include, but are not limited to, storage buildings, garages, pump houses, above ground tanks and outdoor swimming pools. But incidental appurtenant buildings or structures does not include:
 - (a) Outside signs, whether or not attached to buildings;
 - (b) Any property to which the Outdoor Property Coverage Extension applies; or
 - (c) Any property excluded under Section A.2. Property Not Covered.
- (3) The most we will pay for loss or damage in any one occurrence under this Extension is \$25,000.

b. Miscellaneous School Property

- (1) If this policy insures a school, head-start, or daycare you may extend the insurance that applies to Your Business Personal Property to apply to loss or damage by a Covered Cause of Loss to Miscellaneous School Property.

Miscellaneous School Property means musical instruments, band uniforms and equipment, theatrical property including scenery and costumes, and athletic equipment while at school sponsored events within the Coverage Territory, as stated in the Commercial Property Conditions. This coverage also applies to school sponsored events outside the Coverage Territory for a period of not more than 30 days.

- (2) The most we will pay for loss or damage in any one occurrence under this Extension is \$25,000.
- (3) All claims for loss or damage to Covered Property must be brought in the United States.

c. Fine Arts

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to "Fine Arts" caused by a Covered Cause of Loss at the premises described in the Declarations.
- (2) The most we will pay for loss or damage in any one occurrence under this Extension is \$25,000 at any one described premises.

d. "Money and Securities"

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss of "money" and "securities" owned by you while:
 - (a) At the described premises or the premises of a bank or savings institution; or
 - (b) At any other location, or in transit, in the custody of a "messenger"; caused by theft, disappearance or destruction.
- (2) The most we will pay for loss in any one occurrence under this Coverage Extension is:
 - (a) \$25,000 at each described premises
 - (b) \$25,000 within a bank or savings institution; or
 - (c) \$5,000 while at any other location or in transit, in the custody of a "messenger".

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- Under this Extension, all loss caused by one or more persons, or involving a single act or a series of related acts will be considered a single occurrence.
- (3) Exclusions B.1.b. (Earth Movement) and B.1.g. (Water) and Limitation C.1.e (Property that is missing) of the Causes of Loss – Special Form do not apply to this Coverage Extension.
- All other exclusions apply to this Extension. In addition, we will not pay for loss under this Extension caused by or resulting from:
- (a) Accounting or arithmetical errors or omissions;
 - (b) The giving or surrendering of the property in any exchange or purchase, the transfer or surrender of the property to a person or place outside the described premises or the premises of a banking or savings institution, or any other voluntary parting with possession of or title to the property; or
 - (c) Loss of "money" contained in any "money" operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument.
- (4) The following Definitions are added as respects this Coverage Extension:
- (a) "Messenger" means you, any of your partners, any employee or volunteer while having care and custody of property away from the described premises.
 - (b) "Money" means:
 - (i) Currency, coins, and bank notes in current use and having a face value; and
 - (ii) Travelers' checks, register checks and money orders held for sale to the public.
 - (c) "Securities" means negotiable and nonnegotiable instruments or contracts representing either money or other property and includes:
 - (i) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- (ii) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
 - (iii) but does not include "money" or Lottery tickets held for sale.
- e. **Reimbursement of Master Key Costs**
- (1) You may extend the insurance that applies to the Building and Personal Property Coverage Form to apply to direct physical loss or damage to a master or grandmaster key by a Covered Cause of Loss. This coverage applies to the actual cost of new keys including the cost of adjusting locks to accept them; or, if necessary, new locks including the cost of installation.
 - (2) Exclusion B.2.h. (dealing with dishonesty and fraudulent acts) found in the Causes of Loss – Special Form does not apply to this Coverage Extension as respects your employees and agents.
 - (3) Limitations C.1.e. (dealing with Property that is missing) and C.1.f. (dealing with unauthorized transfer of property) found in the Causes of Loss – Special Form do not apply to this Coverage Extension.
- The most we will reimburse you under this Coverage Extension is \$5,000 in any one occurrence and \$15,000 in total for all occurrences in any one policy year.
- f. **Utility Services – Direct Damage Coverage**
- We will pay for loss of or damage to Covered Property caused by the interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the following property, not on the described premises:
- a. Water Supply Services, meaning the following types of property supplying water to the described premises:
 - (1) Pumping Stations; and
 - (2) Water mains.

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- b. Communication Supply Services, meaning property supplying communications service, including telephone, radio, microwave or television services to the described premises, such as:
 - (1) Communication transmission lines including fiber optic transmission lines;
 - (2) Coaxial cables; and
 - (3) Microwave radio relays, except satellites.

It does not include overhead transmission lines.
 - c. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - (1) Utility generating plants;
 - (3) Switching stations;
 - (4) Substations;
 - (5) Transformers; and
 - (6) Transmission lines.

It does not include overhead transmission lines.
4. Exclusion B.1.e. Utility Services in the Causes of Loss – Special Form does not apply to this Coverage Extension.
5. The most we will pay for loss or damage in any one occurrence under this Coverage Extension is \$15,000. This limit is part of, not in addition to, the Limit of Insurance stated in the Declarations as applicable to the described premises.
- B. The following is added to ADDITIONAL CONDITIONS of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:
3. Unintentional Errors in Description
- Your error in how you describe the address of a location in the Declarations shall not prejudice coverage afforded by this policy, provided such error is not intentional. Any such error shall be reported and corrected when discovered and appropriate premium charged.
- C. When the BUSINESS INCOME COVERAGE FORM (AND EXTRA EXPENSE) or the BUSINESS INCOME COVERAGE FORM (WITHOUT EXTRA EXPENSE) is attached to this

policy, BROADENED BUSINESS INCOME COVERAGE is added as follows:

1. Extended Business Income

Under the Additional Coverage – Extended Business Income, "30 consecutive days" is revised to "90 consecutive days".

2. Loss of Business Income – Dependent Properties

We will pay for actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage at the premises of a "dependent property", caused by or resulting from a Covered Cause of Loss.

a. This Additional Coverage does not apply to "dependent property" for which you have more specific insurance either under this policy or another.

b. This Additional Coverage applies to "dependent property" located within the Coverage Territory as stated in the Commercial Property Conditions.

c. "Dependent property" means property operated by others you depend on to:

- (1) Deliver materials or services to you, or to others for your account (Contributing Locations). With respect to Contributing Locations, services does not mean water, communications or power supply services;

- (2) Accept your products or services (Recipient Locations);

- (3) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or

- (4) Attract customers to your business (Leader Locations).

3. Utility Services – Time Element

We will pay for the loss of Business Income or Extra Expense at the described premises which you incur due to the interruption in utility service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property located away from the described premises or located outside of buildings at the described premises:

COMMERCIAL PROPERTY

- a. Water Supply Services, meaning the following types of property supplying water to the described premises:
 - (1) Pumping Stations; and
 - (2) Water mains.
 - b. Communication Supply Services, meaning property supplying communications service, including telephone, radio, microwave or television services to the described premises, such as:
 - (1) Communication transmission lines including fiber optic transmission lines;
 - (2) Coaxial cables; and
 - (3) Microwave radio relays, except satellites.

It does not include overhead transmission lines.
 - c. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - (1) Utility generating plants;
 - (2) Switching stations;
 - (3) Substations;
 - (4) Transformers; and
 - (5) Transmission lines.

It does not include overhead transmission lines.

4. Ingress or Egress Coverage

We will pay for the actual loss of Business Income you sustain and, if included, reason-

able and necessary Extra Expense due to the necessary "suspension" of your "operations", when the ingress or egress to or from a described premises is prevented as a direct result of loss or damage by a Covered Cause of Loss. The loss or damage by a Covered Cause of Loss preventing ingress or egress must occur within one mile of the described premises. This coverage will apply up to 30 consecutive days from the date when the ingress or egress is denied.

Under Broadened Business Income Coverage, the most we will pay under Extended Business Income, Loss of Business Income - Dependent Property, and Ingress or Egress Coverage is \$150,000 for the sum of all losses during the policy period. The most we will pay under Utility Services - Time Element Additional Coverage is \$15,000 in any one occurrence.

- D. The NAMED INSURED shown in the DECLARATIONS is amended as follows:

The Named Insured will include any subsidiary company (including subsidiaries thereof) of the named Insured and any other entity which the Named Insured owns, operates or controls, and any other entity which was or may hereafter be acquired or formed.

As respects Building coverage, the Named Insured is amended to include any person or organization that rents a building to you if you are required by lease agreement or any other written contract to provide such insurance for the interest of the building owner.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM RISK INSURANCE ACT OF 2002 DISCLOSURE

This endorsement applies to the insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

On December 26, 2007, the President of the United States signed into law amendments to the Terrorism Risk Insurance Act of 2002 (the "Act"), which, among other things, extend the Act and expand its scope. The Act establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in the Act) caused by "acts of terrorism". An "act of terrorism" is defined in Section 102(l) of the Act to mean any act that is certified by the Secretary of the Treasury – in concurrence with the Secretary of State and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The federal government's share of compensation for Insured Losses is 85% of the amount of Insured

Losses in excess of each Insurer's statutorily established deductible, subject to the "Program Trigger", (as defined in the Act). In no event, however, will the federal government or any Insurer be required to pay any portion of the amount of aggregate Insured Losses occurring in any one year that exceeds \$100,000,000,000, provided that such Insurer has met its deductible. If aggregate Insured Losses exceed \$100,000,000,000 in any one year, your coverage may therefore be reduced.

The charge for Insured Losses under this Coverage Part is included in the Coverage Part premium. The charge that has been included for this Coverage Part is indicated below, and does not include any charge for the portion of losses covered by the Federal Government under the Act:

- 7% of your total Commercial Property Coverage Part premium if your primary location is in a Designated City (as listed below).
- 3% of your total Commercial Property Coverage Part premium if your primary location is not in a Designated City (as listed below).

Designated Cities are:

Albuquerque, NM	El Paso, TX	Miami, FL	San Diego, CA
Atlanta, GA	Fort Worth, TX	Milwaukee, WI	San Antonio, TX
Austin, TX	Fresno, CA	Minneapolis, MN	San Francisco, CA
Baltimore, MD	Honolulu, HI	Nashville-Davidson, TN	San Jose, CA
Boston, MA	Houston, TX	New Orleans, LA	Seattle, WA
Charlotte, NC	Indianapolis, IN	New York, NY	St. Louis, MO
Chicago, IL	Jacksonville, FL	Oakland, CA	Tucson, AZ
Cleveland, OH	Kansas City, MO	Oklahoma City, OK	Tulsa, OK
Colorado Springs, CO	Las Vegas, NV	Omaha, NE	Virginia Beach, VA
Columbus, OH	Long Beach, CA	Philadelphia, PA	Washington, DC
Dallas, TX	Los Angeles, CA	Phoenix, AZ	Wichita, KS
Denver, CO	Memphis, TN	Portland, OR	
Detroit, MI	Mesa, AZ	Sacramento, CA	

COMMERCIAL INLAND MARINE



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COMMERCIAL INLAND MARINE



One Tower Square, Hartford, Connecticut 06183

**COMMERCIAL INLAND MARINE
COVERAGE PART DECLARATIONS**

INSURING COMPANY:

THE CHARTER OAK FIRE INSURANCE COMPANY

DECLARATIONS PERIOD: From 04-27-10 to 04-27-11 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Commercial Inland Marine Coverage Part consists of these Declarations, the Commercial Inland Marine Conditions Form and the Coverage Forms shown below.

1. LIMITS OF INSURANCE AND DEDUCTIBLE:

CONTRACTOR'S EQUIPMENT COVERAGE-SPECIAL FORM

Item No.	Description of Property	Limit of Insurance
001	SCHEDULED EQUIPMENT- SMALL TOOLS	\$ 420,100

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168 3170 812 3187

168 3232 812 3249

168 3274 812 3291

168 3325 812 3342

168 3376 812 3393

168 3427 812 3444

168 3478 812 3495

168 3529 812 3546

168 3600 812 3617

168 3651 812 3668

168 3702 812 3719

168 3753 812 3770

168 3814 812 3831

168 3865 812 3882

168 3926 812 3943

168 3977 812 3994

168 4028 812 4045

168 4089 812 4106

168 4140 812 4157

168 4201 812 4218

168 4252 812 4269

168 4303 812 4320

168 4374 812 4391

168 4425 812 4442

168 4486 812 4503

168 4547 812 4564

168 4608 812 4625

168 4669 812 4686

168 4740 812 4757

168 4801 812 4818

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168 5789 812 5806

168 5840 812 5857

168 5911 812 5928

168 5972 812 5989

168 6033 812 6050

168 6094 812 6111

168 6145 812 6162

168 6196 812 6213

168 6247 812 6264

168 6298 812 6315

168 6349 812 6366

168 6410 812 6427

168 6471 812 6488

168 6532 812 6549

168 6593 812 6610

168 6644 812 6661

168 6695 812 6712

168 6756 812 6773

168 6827 812 6844

168 6898 812 6915

168 6949 812 6966

168 7020 812 7037

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168 7132 812 7149

168 7203 812 7220

168 7254 812 7271

168 7305 812 7322

168 7376 812 7393

168 7427 812 7444

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168 8145 812 8162

168 8216 812 8233

168 8267 812 8284

168 8328 812 8345

168 8389 812 8406

168 8440 812 8457

168 8491 812 8508

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The following indicates the contents of the principal forms which may be attached to your policy.

It contains no reference to the Declarations or Endorsements which also may be attached.

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No.

Varies

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C. Limits of Insurance

D. Deductible

E. Additional Conditions

F. Definitions

By

Form

COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal.

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible,

set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis; and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured, and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.

10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than

COMMERCIAL INLAND MARINE

their financial interest in the Covered Property.

4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
 - a. We have reached agreement with you on the amount of the loss; or
 - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets Or Parts

1. Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance; or
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you.

This will not restrict your insurance.

GENERAL CONDITIONS

A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

COMMERCIAL INLAND MARINE

B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
 2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

D. No Benefit To Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
 2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
 2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
 3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage:



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Page 3 of 3

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POLICY NUMBER: H-660-4993N533-CDF-10

COMMERCIAL INLAND MARINE
ISSUE DATE: 05-13-10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance under the following:

INLAND MARINE COVERAGE

Loss Payable—For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the loss payee, as interest may appear.

SCHEDULE

**Form or
Endorsement No.**

CM AO 06 01 98

**Item No. , If any or
Description of Property**

CONTRACTORS EQUIPMENT

**Loss Payee
(Name and Address)**

JEFF SCARBRO

C/O ROCK HARBOR
825 BASSWOOD AVE
NASHVILLE

TN 37209

CONTRACTOR'S EQUIPMENT - SPECIAL FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F - DEFINITIONS.

A. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this Coverage Form means:

- a. Your contractor's equipment; and
 - b. Similar property of others in your care, custody or control;
- described in the Declarations.

2. Property Not Covered

Covered Property does not include:

- a. Automobiles, motor trucks, tractors, trailers and other conveyances that are licensed for use on public roads and are used to transport persons or property;
- b. Aircraft or watercraft;
- c. Property while waterborne except by regular ferry other than to or from Alaska;
- d. Property while underground or underwater;
- e. Property you lease or rent to others without providing an operator unless a Limit of Insurance is shown for it in the Declarations; or
- f. Contraband, or property in the course of illegal transportation or trade.

3. Covered Causes of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

4. Coverage Extensions

a. Newly Acquired Property

We will cover similar newly acquired property that you purchase, lease, rent or borrow during the policy period. You must report this property to us within 60 days of acquisition or we will not pay for "loss" to

this property and coverage for it will terminate. An additional premium will be charged from the date you acquire that property.

The most we will pay for "loss" under this extension for new property you purchase, lease, rent or borrow and for which you are liable is \$250,000 in any one occurrence.

The amount payable under this extension is in addition to the Limits of Insurance shown in the Declarations. No Coinsurance applies.

b. Property Leased or Rented to Others Without Operator

You may extend this insurance to apply to Covered Property you lease or rent to others without providing the operator, but only if you:

- (1) Secure a signed lease or rental agreement requiring the lessee to:
 - (a) Be fully responsible for any and all "loss"; and
 - (b) Provide insurance on the property with coverage and limits of insurance equal to yours.
- (2) Secure written evidence of such insurance naming you or the owner of the property as loss payee and maintain that evidence of file for our review during regular business hours.

The most we will pay for "loss" under this extension is the applicable Limits of Insurance shown in the Declarations for Property Leased or Rented to Others. The amount payable under this extension does not increase the Limits of Insurance provided under this Coverage Form.

COMMERCIAL INLAND MARINE

c. Fire Protective Systems

We will pay for your expense to recharge or refill your fire protective systems that protect Covered Property.

The most we will pay in any one "loss" under this Coverage Extension is \$2,500.

5. Additional Coverages

a. Debris Removal

We will pay your expense to remove the debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period, but only if the expenses are reported to us in writing within 60 days of the date of direct physical "loss".

This Additional Coverage does not apply to:

- (1) Costs to extract "pollutants" from land or water; or
- (2) Costs to remove, restore or replace polluted land or water.

The most we will pay under this Additional Coverage is \$10,000 in any one occurrence. The amount payable is in addition to the Limits of Insurance shown in the Declarations.

b. Reward Coverage

We will reimburse you for reward(s) expense you have incurred leading to:

- (1) The successful return of undamaged stolen articles to a law enforcement agency; or
- (2) The arrest and conviction of any person(s) who have damaged or stolen any of your Covered Property.

We will pay 25% of the covered loss, prior to the application of any Deductible and recovery, up to a maximum of \$2,500 in any one occurrence for the reward payments you make. These reward payments must be documented. The amount payable is in addition to the Limits of Insurance shown in the Declarations. No Deductible applies to this Additional Coverage.

c. Rental Expense

We will pay the expenses you incur for the rental of temporary substitute equip-

ment to continue, as nearly as practicable, your "normal" operations on work in progress or under contract. Such expenses must be made necessary by direct physical "loss" to Covered Property caused by or resulting from a Covered Cause of Loss.

Payment under this Additional Coverage is limited to such expenses incurred during the period of time that:

- (1) Begins one "working day" after the direct physical "loss" unless otherwise stated in the Declarations under the Deductible applicable to this Additional Coverage; and
- (2) Ends when the Covered Property should be repaired or replaced with reasonable speed and similar quality, or the need for the substitute equipment ceases to exist, whichever occurs first.

This period of time will not be cut-short by the expiration date of this Coverage Form.

This Additional Coverage does not apply to:

- (1) Any expense incurred if you have suitable substitute equipment available to continue your "normal" operations;
- (2) Any expense for the rental of equipment not of the same type or not to be used for the same purpose as the equipment for which it is substituted; or
- (3) Any loss of market, loss of income or any consequential "loss".

The most we will pay under this Additional Coverage is the applicable Limit of Insurance shown in the Declarations under Rental Expense.

d. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for Fire Department Service Charges:

- (1) Assumed by contract or agreement prior to "loss"; or
- (2) Required by local ordinance.

COMMERCIAL INLAND MARINE

No deductible applies to this Additional Coverage.

e. **Pollutant Cleanup and Removal**

- (1) We will pay your expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss to Covered Property that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the "loss".
- (2) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.
- (3) The most we will pay under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Cause of Loss to Covered Property occurring during each separate 12 month period of this policy.

B. EXCLUSIONS

1. We will not pay for a "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

a. **Governmental Action**

Seizure or destruction of property by order of governmental authority. But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

b. **Nuclear Hazard**

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

c. **War and Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual, or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for a "loss" caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss;
- b. Dishonest acts by you, anyone else with an interest in the property, your or their employees or authorized representatives or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment;

But this exclusion does not apply to a carrier for hire.

- c. Work upon or service of the property. But we will pay for direct "loss" caused by resulting fire or explosion;

- d. Artificially generated electrical current, including electric arcing, within Covered Property that disturbs electrical devices, equipment or apparatus. But we will pay for resulting fire or explosion;

- e. The weight of a load exceeding the lifting or operating capacity of any property under the operating conditions at the time of "loss";

- f. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- g. Discharge, dispersal, seepage, migration, release or escape of "pollutants".

But we will pay for such "loss" caused directly by fire, lightning, explosion, wind-storm, smoke, aircraft or objects falling from aircraft, riot or civil commotion, vandalism or leakage from fire extinguishing

COMMERCIAL INLAND MARINE

- equipment, if these causes of "loss" would be covered under this Coverage Form.
3. We will not pay for a "loss" caused by or resulting from any of the following. But if a "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss".
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph B. 1. to produce the "loss".
 - b. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation, corrosion, rust, dampness, dryness, cold or heat;
 - c. Mechanical breakdown or failure of the Covered Property.

C. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations. Except as provided in 4. Coverage Extensions or 5. Additional Coverages.

D. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of the "loss", before applying the applicable Limits of Insurance, exceeds the Deductible shown in the Declarations. We will then pay the amount of the "loss" in excess of the Deductible, up to the applicable Limit of Insurance.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. Coverage Territory

We cover property wherever located within:

- a. The United States of America; and
- b. Canada.

2. Valuation – Depreciation Waiver on Partial Loss"

a. In the event of partial "loss", not exceeding 20% of the Limit of Insurance applicable to the "Covered Property", no depreciation will be applied in the settlement of the claim. This provision only applies to property that is less than 10 years old at the time of "loss".

3. Coinsurance

All Covered Property must be insured for 90% of its value at the time of "loss" or you will incur a penalty. The penalty is that we will only pay the proportion of any "loss" that the applicable Limit of Insurance shown in the Declarations for the lost or damaged item bears to 90% of its value at the time of "loss".

F. DEFINITIONS

1. "Loss" means accidental loss or damage;
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Normal" means the condition that would have existed had no "loss" occurred.
4. "Working Day" means the period of twenty-four (24) consecutive hours of a normally scheduled workday, beginning at midnight following the "loss".

POLICY NUMBER: H-660-4993N533-COF-10

COMMERCIAL INLAND MARINE
GENERAL PURPOSE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART DECLARATIONS

1. Limits of Insurance and Deductible have been amended as follows:

CONTRACTOR'S EQUIPMENT COVERAGE

\$1,000 - Scheduled/Unscheduled Equipment except Cranes

\$10,000 - Scheduled Equipment - Cranes



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POLICY NUMBER: H-660-4993N533-COF-10

COMMERCIAL INLAND MARINE
GENERAL PURPOSE ENDORSEMENT

DELETION OF COINSURANCE ENDORSEMENT

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

CONTRACTORS EQUIPMENT COVERAGE - SPECIAL FORM

THE COINSURANCE PROVISION IS DELETED FROM SECTION E - ADDITIONAL
CONDITIONS, PART 3

POLICY NUMBER:H-660-4993N533-COF-10

COMMERCIAL INLAND MARINE
ISSUE DATE: 05-13-10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WEIGHT OF THE LOAD

This endorsement modifies coverage provided under the following

CONTRACTORS EQUIPMENT COVERAGE—SPECIAL FORM

A. SCHEDULE:

Item No.	Description of Property	Limit of Insurance
001	SCHEDULED/ SMALL TOOLS	\$ 420,100
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$

B. PROVISIONS:

1. Exclusion 2. e. does not apply to the property described in the Schedule above
C. PREMIUM: \$ INCLUDED
D. DEDUCTIBLE: \$ 1,000

The Deductible amount shown above applies to any "loss" covered by this Endorsement.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM RISK INSURANCE ACT OF 2002 DISCLOSURE

This endorsement applies to the insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

On December 26, 2007, the President of the United States signed into law amendments to the Terrorism Risk Insurance Act of 2002 (the "Act"), which, among other things, extend the Act and expand its scope. The Act establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in the Act) caused by "acts of terrorism". An "act of terrorism" is defined in Section 102(l) of the Act to mean any act that is certified by the Secretary of the Treasury – in concurrence with the Secretary of State and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The federal government's share of compensation for Insured Losses is 85% of the amount of Insured Losses in excess of each Insurer's statutorily established deductible, subject to the "Program Trigger" (as defined in the Act). In no event, however, will the federal government or any Insurer be required to pay any portion of the amount of aggregate Insured Losses occurring in any one year that exceeds \$100,000,000,000, provided that such Insurer has met its deductible. If aggregate Insured Losses exceed \$100,000,000,000 in any one year, your coverage may therefore be reduced.

The charge for Insured Losses under this Coverage Part is included in the Coverage Part premium. The charge that has been included for this Coverage Part is indicated below, and does not include any charge for the portion of losses covered by the Federal Government under the Act:

- 1% of your total Commercial Inland Marine Coverage Part premium.

POLICY NUMBER: H-660-4993N533-COF-10

COMMERCIAL INLAND MARINE
ISSUE DATE: 05-13-10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATERBORNE PROPERTY ENDORSEMENT

This endorsement modifies insurance provided under the following:

CONTRACTOR'S EQUIPMENT - SPECIAL FORM

Schedule

Limit of Insurance: 420,100

The CONTRACTOR'S EQUIPMENT - SPECIAL FORM is changed as follows:

1. Paragraph A.2.c. under Property Not Covered is replaced by the following:
 - c. Property while waterborne, except:
 - (1) While on a ferry; or
 - (2) As provided in the Waterborne Property Coverage Extension;
2. The following is added to Paragraph A.4. Coverage Extensions:

Waterborne Property

- (1) We will pay for "loss" to Covered Property from any of the Covered Causes of

Loss while such property is waterborne and within the Coverage Territory.

- (2) We will not pay under this Coverage Extension for "loss" to property while on a ferry.
- (3) The most we will pay for "loss" under this Coverage Extension in any one occurrence is \$10,000 or the Limit of Insurance shown in the Schedule of this endorsement, whichever is greater.
- (4) The amount payable under this Coverage Extension does not increase the Limits of Insurance provided under this Coverage Form.



**INTERLINE
ENDORSEMENTS**



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**INTERLINE
ENDORSEMENTS**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following

COMMERCIAL PROPERTY COVERAGE PART

DELUXE PROPERTY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

FARM COVERAGE PART

- A. The exclusion set forth in Paragraph B. applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense, rental value or action of civil authority.
 - B. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
 - C. With respect to any loss or damage subject to the exclusion in Paragraph B., such exclusion supersedes any exclusion relating to "pollutants".
 - D. The terms of the exclusion in Paragraph B., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
DELUXE PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TENNESSEE CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT-POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A. Paragraph 5. of the **Cancellation Common Policy Condition** is replaced by the following:

5. If this policy is cancelled, we will send the first Named Insured any premium refund due.

The refund will be pro rata if:

- We cancel; or
- The policy is cancelled at the request of a premium finance company that has financed this policy under a premium finance agreement.

The refund may be less than pro rata if the first Named Insured cancels the policy.

The cancellation will be effective even if we have not made or offered a refund.

- B. The following is added to the **Cancellation Common Policy Condition**:

CANCELLATION OF POLICIES IN EFFECT FOR 60 DAYS OR MORE

If this policy has been in effect for 60 days or more, or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- Nonpayment of premium, including any additional premium, calculated in accordance with our current rating manual, justified by a physical change in the insured property or a change in its occupancy or use;
- Your conviction of a crime increasing any hazard insured against;

- Discovery of fraud or material misrepresentation on the part of either of the following:
 - You or your representative in obtaining this insurance; or
 - You in pursuing a claim under this policy;
- Failure to comply with written loss control recommendations;
- Material change in the risk which increases the risk of loss after we issued or renewed insurance coverage;
- Determination by the insurance commissioner that the continuation of the policy would jeopardize our solvency or would place us in violation of the insurance laws of Tennessee or any other state;
- Your violation or breach of any policy terms or conditions; or
- Other reasons that are approved by the insurance commissioner.

Notice of cancellation will state the reason for cancellation.

- C. The following is added and supersedes any provisions to the contrary:

NONRENEWAL

- If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured and agent, at least 60 days before the expiration date unless:
 - We have offered to issue a renewal policy; or

- b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage;
- 2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's addresses shown in the policy. If notice is mailed, proof of mailing will be sufficient proof of notice.

D. The following is added to the **Premiums Common Policy Condition**:

Whenever an insurance policy which is financed with a premium finance company is cancelled, the insurer shall return, within 30 days after the effective date of the cancellation, whatever gross unearned premiums are due under the insurance policy directly to the premium finance company for the account of the first Named Insured.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES DUE TO DATES OR TIMES

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
DELUXE PROPERTY COVERAGE PART

- A. We will not pay for loss ("loss") or damage caused directly or indirectly by any of the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.

1. The failure, malfunction or inadequacy of:
 - a. Any of the following, whether belonging to any insured or to others:
 - (1) Computer hardware, including microprocessors;
 - (2) Computer application software;
 - (3) Computer operating systems and related software;
 - (4) Computer networks;
 - (5) Microprocessors (computer chips) not part of any computer system; or
 - (6) Any other computerized or electronic equipment or components; or
 - b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A.1.a. of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual

problems described in Paragraph A.1. of this endorsement.

- B. If an excluded Cause of Loss as described in Paragraph A. of this endorsement results:

1. In a Covered Cause of Loss under the Boiler and Machinery Coverage Part, the Commercial Crime Coverage Part or the Commercial Inland Marine Coverage Part; or
2. Under the Commercial Property Coverage Part:
 - a. In a "Specified Cause of Loss", in elevator collision resulting from mechanical breakdown, or from theft (if insured) under the Causes of Loss - Special Form; or
 - b. In a Covered Cause of Loss under the Causes of Loss - Basic Form or the Causes of Loss - Broad Form; or
3. In a "Specified Cause of Loss", in elevator collision resulting from mechanical breakdown, or from theft under the Deluxe Property Coverage Part;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, theft, or a Covered Cause of Loss.

- C. We will not pay for repair, replacement or modification of any items in Paragraphs A.1.a. and A.1.b. of this endorsement to correct any deficiencies or change any features.

POLICYHOLDER NOTICES



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POLICYHOLDER NOTICES

**IMPORTANT NOTICE – INDEPENDENT AGENT AND BROKER
COMPENSATION**

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

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**COMMERCIAL PROPERTY INSURANCE
REVISIONS TO THE COMMERCIAL PROPERTY COVERAGE PART**

IMPORTANT NOTICE TO POLICYHOLDERS

This is a summary of the major changes in your Commercial Property Coverage Part. It contains a brief synopsis of the significant broadenings and restrictions that were made in each of the Coverage Forms, Causes of Loss Forms and Coverage Endorsements shown below. It does not attempt to include every clarification or editorial change made in these forms and endorsements. The summary is organized by individual Coverage Forms, Causes of Loss Forms and Coverage Endorsements; however, not all Coverage Forms, Causes of Loss Forms, or Coverage Endorsements are included in a particular policy.

NO COVERAGE IS PROVIDED BY THIS SUMMARY, NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR ENTIRE POLICY CAREFULLY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES. PLEASE CONTACT YOUR AGENT WITH ANY QUESTIONS, OR IF YOU DESIRE ANY CHANGES IN YOUR POLICY. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS SUMMARY, THE PROVISIONS OF THIS POLICY SHALL PREVAIL.

PROPERTY DAMAGE COVERAGE FORMS

**BROADENED FEATURES OF BUILDING AND PERSONAL PROPERTY COVERAGE FORM (CP T1 00 01 03),
CONDOMINIUM ASSOCIATION COVERAGE FORM (CP T1 01 01 03) AND CONDOMINIUM COMMERCIAL
UNIT-OWNERS COVERAGE FORM (CP T1 02 01 03)**

1. Your Business Personal Property and Personal Property of Others is now covered if located in the open within 1,000 feet of the described premises. Previously, this property had been covered if located within 500 feet.
2. The additional amount of Debris Removal coverage which applies when the sum of direct physical loss and debris removal expense exceeds the Limit of Insurance or when the debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage has been amended to \$25,000 at each premises.
3. The Preservation of Property Additional Coverage has been expanded to include the necessary and reasonable expenses incurred to remove Covered Property from the described premises, temporarily store it at another location and move it back to the described premises to preserve it from loss or damage.
4. The Increased Cost of Construction or Repair Additional Coverage has been added if the Replacement Cost Optional Coverage has been selected. In the event of covered damage to a building, it provides up to \$10,000 coverage for the increased costs incurred to comply with the enforcement of a building ordinance or law in the course of repair, rebuilding or replacement of damaged parts of the property.

Note: This Additional Coverage does not apply to the Condominium Unit-Owners Coverage Form (CP T1 02 01 03)
5. A new Additional Coverage has been added for Fire Protective Equipment Discharge. If a fire protective system discharges, this provides up to \$5,000 to refill or recharge the system, or to replace or repair faulty valves or controls.

6. The Valuable Papers And Records – Cost of Research Coverage Extension has been increased from \$5,000 to \$10,000. A complete definition of what is covered as Valuable Papers has also been included.
7. The Property Off-Premises Coverage Extension has been expanded to include coverage for "stock" as defined in the policy. Personal Property of Others, property at any fair, trade show or exhibit, property at installation premises or temporarily at a storage premises while awaiting installation and property in the care, custody or control of your salespersons. Coverage for Property Off-Premises has been increased from \$10,000 to \$25,000 per occurrence at all off-premises locations, except for property at installation premises or awaiting installation, which is \$10,000.
8. The limit for most items included in the Outdoor Property Coverage Extension has been increased from \$5,000 to \$10,000 per occurrence. (The sublimits of \$500 for any one tree, shrub or plant and \$2,500 for any one antenna remain unchanged). In addition, this \$10,000 limit may also be used to cover Debris Removal of covered outdoor property.
9. The Claim Data Expense Coverage Extension has been increased from \$1,000 to \$2,500.
10. The Extra Expense Coverage Extension has been increased from \$1,000 to \$2,500. In addition, coverage has been expanded to include Expediting Expenses, meaning expenses to make temporary repairs or expedite permanent replacement at premises sustaining covered loss or damage.
11. A new Coverage Extension has been added for Accounts Receivable. This provides up to \$10,000 coverage for loss or damage to Accounts Receivable records.
12. A new Coverage Extension has been added for Non-Owned Detached Trailers. This provides up to \$5,000 coverage for loss or damage to non-owned trailers or semi-trailers in your care, custody or control.
13. A new Coverage Extension has been added for Covered Property In Transit. This provides up to \$10,000 coverage for property in due course of transit at your risk within the Coverage Territory, subject to some restrictions.
14. A new Coverage Extension has been added for Duplicate Electronic Data Processing Data and Media. This provides up to \$10,000 coverage for loss or damage to duplicate EDP data or media while stored in a separate, unattached building from where the original data is stored.
15. A new Coverage Extension has been added for Electronic Data Processing Equipment and Data and Media – Limited. This provides up to \$10,000 coverage for EDP items when a limit is shown in the Declarations for Your Business Personal Property, but not for EDP Equipment or EDP Data and Media.
16. The Replacement Cost Optional Coverage has been expanded by specifically including architectural, engineering, consulting or supervisory fees incurred in the repair or rebuilding of damaged buildings.

RESTRICTIVE FEATURES OF BUILDING AND PERSONAL PROPERTY COVERAGE FORM (CP T1 00 01 03) AND CONDOMINIUM ASSOCIATION COVERAGE FORM (CP T1 01 01 03)

1. Payment under the Claim Data Expense Coverage Extension does not include expenses incurred, directed, or billed by or payable to attorneys, insurance brokers or agents, or their associates or subsidiaries without our written consent prior to such expenses being incurred.
2. If a limit is shown in the Declarations for Personal Property of Others, that limit is now subject to the Coinsurance Additional Condition.
3. The Replacement Cost Optional Coverage no longer applies to "vacant" buildings, as defined in the policy.

RESTRICTIVE FEATURES OF CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM (CP T1 02 01 03)

1. Lawns (including fairways, greens and tees) are no longer included as Covered Property.
2. Payment under the Claim Data Expense Coverage Extension does not include expenses incurred, directed, or billed by or payable to attorneys, insurance brokers or agents, or their associates or subsidiaries without our written consent prior to such expenses being incurred.
3. If a limit is shown in the Declarations for Personal Property of Others, that limit is now subject to the Coinsurance Additional Condition.

BROADENED FEATURES OF BUILDERS RISK COVERAGE FORM (CP T1 03 01 03)

1. Covered Property is now covered if located in the open within 1,000 feet of the described premises. Previously, this property had been covered if located within 500 feet. This expanded distance also applies to materials and supplies used for construction.
2. The additional amount of Debris Removal coverage which applies when the sum of direct physical loss and debris removal expense exceeds the Limit of Insurance or when the debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage has been amended to \$25,000 at each premises.
3. The Preservation of Property Additional Coverage has been expanded to include the necessary and reasonable expenses incurred to remove Covered Property from the described premises, temporarily store it at another location and move it back to the described premises to preserve it from loss or damage.
4. Building materials and supplies of others are now covered if located in the open within 1,000 feet of the described premises. Previously, this property had been covered if located within 500 feet.
5. The Claim Data Expense Coverage Extension has been increased from \$1,000 to \$2,500.
6. A new Coverage Extension has been added for Property In Transit. This provides up to \$10,000 coverage for building materials and supplies, equipment, machinery and fixtures intended to become a permanent part of the building under construction in due course of transit on vehicles you own, lease or operate within the Coverage Territory. Coverage is based on specified perils and is subject to some restrictions.

RESTRICTIVE FEATURES OF BUILDERS RISK COVERAGE FORM (CP T1 03 01 03)

1. Payment under the Claim Data Expense Coverage Extension does not include expenses incurred, directed, or billed by or payable to attorneys, insurance brokers or agents, or their associates or subsidiaries without our written consent prior to such expenses being incurred.
2. The When Coverage Ceases Additional Condition has been amended. One of these conditions previously stated that coverage will end 90 days after construction is complete or 60 days after the building described in the Declarations is occupied in whole or in part or put to its intended use. Both of the time limits in this condition have been amended to 30 days, unless we specify another time limit in writing.

BUSINESS INTERRUPTION COVERAGE FORMS

BROADENED FEATURES OF BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM (CP T1 04 01 03)

1. Business Income loss sustained due to loss or damage to property in the open is now covered if the property is located within 1,000 feet of the described premises. In the previous form, this property had to be located within 500 feet of the described premises.
2. Business Income Coverage for Alterations and New Buildings at the described locations and for Newly Acquired locations has been expanded to include Extra Expense.
3. The Claim Data Expense Coverage Extension has been increased from \$1,000 to \$2,500.
4. A new Additional Coverage has been added for Delayed Net Income Loss. We will now pay for the actual loss of Net Income (Net Profit or Loss before income taxes) sustained due to the "suspension" of your "operations", as defined in the policy, resulting in a loss in the value of production which occurs beyond the "period of restoration", as defined in the policy, plus any Extended Business Income time period.

RESTRICTIVE FEATURES OF BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM (CP T1 04 01 03)

1. Reasonable and necessary Extra Expense to research, replace or restore the lost information on damaged valuable papers and records is no longer covered.
2. Coverage under the Civil Authority Additional Coverage now only applies if the civil authority action is due to loss or damage to property at locations, other than the described premises, that are within 100 miles of the

described premises. In addition, coverage for Extra Expense ends when your Business Income coverage ends. The previous form provided this coverage for twenty-four consecutive days.

3. Payment under the Claim Data Expense Coverage Extension does not include expenses incurred, directed, or billed by or payable to attorneys, insurance brokers or agents, or their associates or subsidiaries without our written consent prior to such expenses being incurred.
4. Business Income and Extra Expense losses resulting from damage to electronic media or records were previously limited to a period of 60 days. Under the new Interruption of Computer Operations Additional Coverage, these losses are limited to a total of \$25,000 for each separate 12-month period of this policy.

**BROADENED FEATURES OF BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
(CP T1 09 01 03)**

1. Business Income loss sustained due to loss or damage to property in the open is now covered if the property is located within 1,000 feet of the described premises. In the previous form, this property had to be located within 500 feet of the described premises.
2. The Claim Data Expense Coverage Extension has been increased from \$1,000 to \$2,500.
3. A new Additional Coverage has been added for Delayed Net Income Loss. We will now pay for the actual loss of Net Income (Net Profit or Loss before income taxes) you sustain due to the "suspension" of your "operations", as defined in the policy, resulting in a loss in the value of production which occurs beyond the "period of restoration", as defined in the policy, plus any Extended Business Income time period.

**RESTRICTIVE FEATURES OF BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
(CP T1 09 01 03)**

1. Coverage under the Civil Authority Additional Coverage now only applies if the civil authority action is due to loss or damage to property at locations, other than the described premises, that are within 100 miles of the described premises.
2. Payment under the Claim Data Expense Coverage Extension does not include expenses incurred, directed, or billed by or payable to attorneys, insurance brokers or agents, or their associates or subsidiaries without our written consent prior to such expenses being incurred.
3. Business Income losses resulting from damage to electronic media or records were previously limited to a period of 60 days. Under the new Interruption of Computer Operations Additional Coverage, these losses are limited to a total of \$25,000 for each separate 12-month period of this policy.

BROADENED FEATURES OF EXTRA EXPENSE COVERAGE FORM (CP T1 12 01 03)

1. Extra Expense loss sustained due to loss or damage to property in the open is now covered if the property is located within 1,000 feet of the described premises. In the previous form, this property had to be located within 500 feet of the described premises.
2. The Claim Data Expense Coverage Extension has been increased from \$1,000 to \$2,500.

RESTRICTIVE FEATURES OF EXTRA EXPENSE COVERAGE FORM (CP T1 12 01 03)

1. Coverage under the Civil Authority Additional Coverage now only applies if the civil authority action is due to loss or damage to property at locations, other than the described premises, that are within 100 miles of the described premises.
2. Payment under the Claim Data Expense Coverage Extension does not include expenses incurred, directed, or billed by or payable to attorneys, insurance brokers or agents, or their associates or subsidiaries without our written consent prior to such expenses being incurred.
3. Extra Expense losses resulting from Interruption of Computer Operations are now limited to a total of \$25,000 for each separate 12-month period of this policy.

**BROADENED FEATURES OF BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM PLUS
(CP T3 58 01 03)**

1. Business Income loss sustained due to loss or damage to property in the open is now covered if the property is located within 1,000 feet of the described premises. In the previous form, this property had to be located within 500 feet of the described premises.
2. Business Income Coverage for Alterations and New Buildings at the described locations and for Newly Acquired locations has been expanded to include Extra Expense.
3. A new Additional Coverage has been added for Delayed Net Income Loss. We will now pay for the actual loss of Net Income (Net Profit or Loss before income taxes) you sustain due to the "suspension" of your "operations", as defined in the policy, resulting in a loss in the value of production which occurs beyond the "period of restoration", as defined in the policy, plus any Extended Business Income time period.

**RESTRICTIVE FEATURES OF BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM PLUS
(CP T3 58 01 03)**

1. Coverage under the Civil Authority Additional Coverage now only applies if the civil authority action is due to loss or damage to property at locations, other than the described premises, that are within 100 miles of the described premises. Coverage applies for a period of up to three consecutive weeks. The previous form provided coverage for thirty consecutive days. Coverage for Extra Expense ends when your Business Income coverage ends. The previous form provided this coverage for thirty consecutive days.
2. Payment under the Claim Data Expense Coverage Extension does not include expenses incurred, directed, or billed by or payable to attorneys, insurance brokers or agents, or their associates or subsidiaries without our written consent prior to such expenses being incurred.
3. Business Income and Extra Expense losses resulting from damage to electronic media or records were previously limited to a period of 60 days. Under the new Interruption of Computer Operations Additional Coverage, these losses are limited to a total of \$25,000 for each separate 12-month period of this policy.
4. The Limit of Insurance under the Contract Penalty Clause Coverage Extension has been decreased from \$25,000 per occurrence to a total of \$25,000 for each separate 12-month period of this policy.

CHANGES IN GLASS COVERAGE

The Glass Coverage Form, CP T1 05, and Glass Coverage Schedule, CP 19 15, are withdrawn. The effect on coverage varies in accordance with the scenarios that follow.

The Commercial Property Coverage Part includes coverage for glass that is part of a building insured under this policy. The Covered Causes of Loss for such Covered Property are determined by the applicable Causes of Loss Form.

- If your previous policy did not include the Glass Coverage Form (CP T1 05), then either explanation (A) or (B) applies:
 - (A) If the Covered Property is subject to the Causes of Loss – Basic Form (CP T1 06) or Causes of Loss – Broad Form (CP T1 07), coverage is **broadened** in that the vandalism cause of loss no longer contains an exception for glass property. Under CP T1 07, coverage is **reduced**; in that the \$1,000 Additional Coverage – Breakage of Glass (applicable to causes of loss not otherwise covered under CP T1 07) is eliminated.
 - (B) If the Covered Property is subject to the Causes of Loss – Special Form (CP T1 08), coverage on glass is **broadened**. Coverage under CP T1 08 is expanded to include glass breakage caused by a cause of loss that is not otherwise excluded, and damage caused by chemicals applied to glass. (The coverage for glass breakage is accomplished by removal of a previous limitation.) The new edition of CP T1 08 also includes an Additional Coverage Extension pertaining to temporary plates and removal of obstructions.
- If your previous policy included Glass Coverage Form CP T1 05 and Covered Property is subject to the Causes of Loss – Special Form (CP T1 08) under your new policy, the following disclosure ap-

plies: Coverage for glass breakage is reduced in that CP T1 08 does not cover earthquake or flood. But if your policy is endorsed to cover earthquake and flood (separate endorsements), then glass coverage under the new policy is substantially equivalent to the old.

CAUSES OF LOSS FORMS

BROADENED FEATURES OF CAUSES OF LOSS – BASIC FORM (CP T1 06 01 03)

1. On the previous form, loss or damage to glass that is part of a building or structure due to vandalism was not covered. That exclusion has been removed and loss or damage to building glass is now covered if caused by any Covered Cause of Loss.

RESTRICTIVE FEATURES OF CAUSES OF LOSS – BASIC FORM (CP T1 06 01 03)

1. The following Exclusion has been added: We will not pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture, or vapor, that occurs over a period of 14 days or more.
2. The following Exclusion has been added for any Business Income or Extra Expense coverage: We will not pay for any Business Income or Extra Expense loss, caused by or resulting from direct physical loss or damage to the following property while outside of buildings:
 - a. Harvested grain, hay, straw, or other crops.
 - b. Outdoor trees, shrubs, plants, lawns (including fairways, greens and tees), growing crops, land or water.
 - c. Radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers.
3. The previous policy contained a Limitation of coverage for "vacant" property as defined in the policy. However, that Limitation did not apply if the "vacant" property was identified in the Declarations. That Limitation now applies to any "vacant" property, even if it has been identified in the Declarations.

BROADENED FEATURES OF CAUSES OF LOSS – BROAD FORM (CP T1 07 01 03)

1. On the previous form, loss or damage to glass that is part of a building or structure due to vandalism was covered for a limited dollar amount. That limitation has been removed and loss or damage to building glass is now covered if caused by any Covered Cause of Loss.
2. On the previous form, loss or damage to gutters and downspouts due to the weight of snow, ice or sleet was excluded. This exclusion has been removed.

RESTRICTIVE FEATURES OF CAUSES OF LOSS – BROAD FORM (CP T1 07 01 03)

1. The following Exclusion has been added for any Business Income or Extra Expense coverage: We will not pay for any Business Income or Extra Expense loss if caused by or resulting from direct physical loss or damage to the following property while outside of buildings:
 - a. Harvested grain, hay, straw, or other crops.
 - b. Outdoor trees, shrubs, plants, lawns (including fairways, greens and tees), growing crops, land or water.
 - c. Radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers.
2. The previous form contained a Limitation of coverage for "vacant" property, as defined in the policy. However, that Limitation did not apply if the "vacant" property was identified in the Declarations. That Limitation now applies to any "vacant" property, even if it has been identified in the Declarations.

BROADENED FEATURES OF CAUSES OF LOSS – SPECIAL FORM (CP T1 08 01 03)

1. Loss or damage due to the discharge, dispersal, seepage, migration, release or escape of "pollutants", as defined in the policy, is not covered unless it is caused by a "Specified Cause of Loss", as defined in the pol-

- icy. The form is broadened as this exclusion does not apply to damage to glass caused by chemicals applied to the glass.
2. On the previous form, loss or damage to gutters and downspouts due to the weight of snow, ice or sleet was excluded. This exclusion has been removed.
 3. On the previous form, loss or damage to glass that is part of a building or structure was covered for a limited dollar amount, unless the loss was caused by a "Specified Cause of Loss". That limitation has been removed and loss or damage to building glass is now covered if caused by any Covered Cause of Loss.
 4. The previous form limited coverage on builders' machinery, tools and equipment to losses due to building glass breakage or a "Specified Cause of Loss", as defined in the policy, unless the property was located on or within 500 feet of the described premises. This distance has been expanded to 1,000 feet.
 5. The previous form limited coverage on valuable papers and certain types of EDP data and media to losses due to building glass breakage or a "Specified Cause of Loss", as defined in the policy. This limitation has been removed.
 6. An Additional Coverage Extension has been added. If there is loss or damage to covered glass we will now pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed and we will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building.

RESTRICTIVE FEATURES OF CAUSES OF LOSS – SPECIAL FORM (CP T1 08 01 03)

1. An Exclusion has been added for loss or damage to personal property caused by evaporation or leakage.
2. The Exclusion for loss or damage to personal property caused by contamination has been amended to 'Contamination by other than "pollutants"', as defined in the policy, and will now apply to all Covered Property.
3. An Exclusion has been added for loss or damage due to the presence or condensation of humidity, moisture or vapor, which occurs over a period of 14 days or more.
4. The previous form excluded loss or damage due to voluntary parting with any property if induced to do so by any fraudulent scheme, trick, device or false pretense. These conditions have been removed and any voluntary parting with property is now excluded.
5. An Exclusion has been added for the cost of correcting or making good the damage to personal property attributable to such property being processed, manufactured, tested, repaired, restored, retouched or otherwise being worked upon.
6. A Limitation has been added that limits losses to photographic or scientific instrument lenses to loss or damage caused by building glass breakage or a "Specified Cause of Loss", as defined in the policy.
7. An Additional Coverage Extension in the previous form that provided up to \$10,000 Business Income coverage due to loss or damage to radio antennas has been deleted.

COVERAGE ENDORSEMENTS

BROADENED FEATURES OF CAUSES OF LOSS – BROAD FORM FLOOD ENDORSEMENT (CP T3 00 01 03)

1. A new Additional Coverage has been added to cover the expense of Debris Removal following a covered flood loss. This includes removal of debris that has floated off the described premises. Debris Removal does not include the removal of mud or earth.
Debris Removal expenses are now covered up to the Limit of Insurance that applies to the flood coverage. This had been limited to \$25,000 in the previous endorsement.

RESTRICTIVE FEATURES OF CAUSES OF LOSS – BROAD FORM FLOOD ENDORSEMENT (CP T3 00 01 03)

1. Any loss or damage caused by flood that begins at a covered premises before or within 72 hours after the inception date of the flood coverage is no longer covered under this endorsement.

BROADENED FEATURES OF REPLACEMENT COST PLUS ENDORSEMENT (CP T3 09 01 03)

1. The penalty which applies if new items in excess of \$5,000 are not reported in a timely manner has been changed to new items in excess of \$10,000.

RESTRICTIVE FEATURES OF REPLACEMENT COST PLUS ENDORSEMENT (CP T3 09 01 03)

1. Payment under this endorsement has been further limited as we will not pay more than 125% of the Limit of Insurance shown in the Declarations for the covered buildings.

BROADENED FEATURES OF CAUSES OF LOSS – EARTHQUAKE ENDORSEMENT (CP T3 33 01 03)

1. Tanks and tunnels connected to buildings are now covered as underground items.

RESTRICTIVE FEATURES OF CAUSES OF LOSS – EARTHQUAKE ENDORSEMENT (CP T3 33 01 03)

1. We will not pay for loss or damage caused directly or indirectly by flood, waves, tides, tidal waves, release of water impounded by a dam or water or sewage that backs up or overflows from a sewer, drain or sump, even if caused by an Earthquake or Volcanic Eruption.

BROADENED FEATURES OF BUILDING OWNERS EXTRA ENDORSEMENT (CP T3 37 01 03)

1. The most we will now pay for lawns (including fairways, greens and tees), trees, shrubs and plants, walks, roadways, patios, or other paved surfaces has been increased from \$5,000 to \$10,000 per occurrence.
2. Coverage for outside bridges was not provided in the previous endorsement. They are now covered for up to \$10,000.
3. Electronic Data Processing Equipment and Data and Media have been added to the items covered under the Appurtenant Buildings and Structures Coverage Extension.

RESTRICTIVE FEATURES OF BUILDING OWNERS EXTRA ENDORSEMENT (CP T3 37 01 03)

1. The following items are no longer covered under this endorsement: Retaining walls, foundations, outside signs; and radio and television antennas (including microwave or satellite dishes).

BROADENED FEATURES OF PROPERTY EXTRA ENDORSEMENT (CP T3 38 01 03) AND SELECT PROPERTY EXTRA ENDORSEMENT (CP T3 54 01 03)

1. The most we will now pay for lawns (including fairways, greens and tees), trees, shrubs and plants, walks, roadways, patios, or other paved surfaces has been increased from \$5,000 to \$10,000 per occurrence.
2. Coverage for outside bridges was not provided in the previous endorsement. They are now covered for up to \$10,000.
3. The Increased Cost of Construction or Repair Additional Coverage has been increased from \$10,000 to \$25,000.
4. The Fire Protective Equipment Discharge Additional Coverage has been increased from \$5,000 to \$10,000.
5. A new Additional Coverage has been added for Brands and Labels. This will now pay for the reasonable costs to stamp the word "salvage" on, or remove any brands or labels from damaged merchandise.
6. The Personal Effects and Property of Others Coverage Extension has been increased from \$10,000 to \$25,000, except for Personal Property of Employees which has been increased from \$2,500 to \$5,000.
7. The Valuable Papers and Records – Cost of Research Coverage Extension has been increased from \$15,000 to \$25,000.
8. The Property Off-Premises Coverage Extension has been increased from \$15,000 to \$25,000 for property at installation premises or temporary storage premises and from \$15,000 to \$50,000 for property at other covered locations.
9. The Extra Expense Coverage Extension has been increased from \$2,500 to \$5,000.
10. The Accounts Receivable Coverage Extension has been increased from \$15,000 to \$25,000.

11. The Covered Property In Transit Coverage Extension has been increased from \$15,000 to \$25,000.
12. The Duplicate "Electronic Data Processing Data and Media" Coverage Extension has been increased from \$10,000 to \$25,000.
13. Electronic Data Processing Equipment and Data and Media have been added to the items covered under the Appurtenant Buildings and Structures Coverage Extension.
14. Two new Coverage Extensions have been added when either the Business Income (And Extra Expense) or Business Income (Without Extra Expense) Coverage Forms are attached to the policy:

The Ordinance or Law – Increased Period of Restoration coverage extends Business Income coverage to include the amount of actual and necessary loss you sustain during the period of "suspension" of "operations", as defined in the policy, caused by or resulting from the enforcement of any ordinance or law, subject to some restrictions. The Limit of Insurance for this coverage is \$25,000.

The Business Income From Dependent Property coverage extends Business Income to cover the loss of Business Income you sustain due to loss or damage that occurs at locations operated by others that your business depends on as detailed in the endorsement. The Limit of Insurance for this coverage is \$5,000.

RESTRICTIVE FEATURES OF PROPERTY EXTRA ENDORSEMENT (CP T3 38 01 03) AND SELECT PROPERTY EXTRA ENDORSEMENT (CP T3 54 01 03)

1. The following items are no longer covered under this endorsement: Retaining walls, foundations, outside signs, and radio and television antennas (including microwave or satellite dishes).
2. The Additional Coverage Extension for Water Damage is no longer provided under this endorsement.

BROADENED FEATURES OF SEWER OR DRAIN BACK UP EXTENSION ENDORSEMENT (CP T3 39 01 03)

None

RESTRICTIVE FEATURES OF SEWER OR DRAIN BACK UP EXTENSION ENDORSEMENT (CP T3 39 01 03)

1. Coverage has been deleted for water that backs up from a sump.

BROADENED FEATURES OF BUILDING REPRODUCTION COST ENDORSEMENT (CP T3 49 01 03)

None

RESTRICTIVE FEATURES OF BUILDING REPRODUCTION COST ENDORSEMENT (CP T3 49 01 03)

1. Coverage for the increased cost to repair, rebuild or construct the property when the increased cost is caused by the enforcement of a building, zoning or land use ordinance or law has been deleted from this endorsement.

BROADENED FEATURES OF GOLF CLUB ENDORSEMENT (CP T8 93 01 03)

1. The Fire Protective Equipment Discharge Additional Coverage has been increased from \$5,000 to \$10,000.
2. Coverage under the Vehicle Damage Additional Coverage has been broadened as damage will now be covered if the vehicle is within 1,000 feet of the described premises, instead of within 500 feet.
3. Coverage under the Personal Effects and Property of Others Coverage Extension has been broadened as losses are now covered if the property is within 1,000 feet of the described premises, instead of within 500 feet.

RESTRICTIVE FEATURES OF GOLF CLUB ENDORSEMENT (CP T8 93 01 03)

1. The \$1,000 per item limit that applies to athletic equipment in the Personal Property of Others Coverage Extension has been amended to \$1,000 per person.
2. The Property Off-Premises Coverage Extension in this endorsement no longer covers property in transit. However, \$10,000 coverage is now provided in the applicable Coverage Form.

3. Outside signs are no longer covered under this endorsement. However, \$2,500 coverage is now provided in the applicable Coverage Form.

BROADENED FEATURES OF SELECT PROPERTY EXTRA – WHOLESALERS AND MANUFACTURERS ENDORSEMENT (CP T3 59 01 03), SELECT PROPERTY EXTRA – PRINTERS ENDORSEMENT (CP T3 90 01 03) AND SELECT PROPERTY EXTRA – FINE DINING ENDORSEMENT (CP T3 91 01 03)

1. The Fire Protective Equipment Discharge Additional Coverage has been increased from \$5,000 to \$10,000.
2. The Personal Effects and Property of Others Coverage Extension has been increased from \$10,000 to \$25,000, except for Personal Property of Employees which has been increased from \$2,500 to \$5,000.
3. The Property Off-Premises Coverage Extension for locations other than installation premises or temporary storage premises has been increased from \$25,000 to \$50,000.
4. The Extra Expense Coverage Extension has been increased from \$2,500 to \$5,000.
5. The Duplicate "Electronic Data Processing Data and Media" Coverage Extension has been increased from \$10,000 to \$25,000.
6. Electronic Data Processing Equipment and Data and Media have been added to the items covered under the Appurtenant Buildings and Structures Coverage Extension.
7. Coverage for outside bridges was not provided on the previous endorsement. They are now covered for up to \$10,000.
8. When either the Business Income (And Extra Expense) or the Business Income (Without Extra Expense) Coverage Forms are attached to the policy, the Limit of Insurance that applies to the Claim Data Expense Coverage Extension is increased from \$2,500 to \$5,000.

RESTRICTIVE FEATURES OF SELECT PROPERTY EXTRA – WHOLESALERS AND MANUFACTURERS ENDORSEMENT (CP T3 59 01 03), SELECT PROPERTY EXTRA – PRINTERS ENDORSEMENT (CP T3 90 01 03) AND SELECT PROPERTY EXTRA – FINE DINING ENDORSEMENT (CP T3 91 01 03)

1. The following items are no longer covered under this endorsement: Retaining walls, outside signs, and radio and television antennas (including microwave or satellite dishes).
2. The Additional Coverage Extension for Water Damage is no longer provided under this endorsement.
3. (Wholesalers/Manufacturers and Printers Endorsements only). When either the Business Income (And Extra Expense) or the Business Income (Without Extra Expense) Coverage Forms are attached to the policy, the Limit of Insurance under the Contract Penalty Clause Coverage Extension has been decreased from \$25,000 per occurrence to a total of \$25,000 for each separate 12-month period of this policy.

BROADENED FEATURES OF PROPERTY EXTRA PLUS ENDORSEMENT (CP T3 63 01 03)

1. The most we will now pay for lawns (including fairways, greens and tees), trees, shrubs and plants, walks, roadways, patios; or other paved surfaces has been increased from \$5,000 to \$10,000 per occurrence.
2. The Property Off-Premises Coverage Extension has been increased from \$10,000 to \$25,000 for property at installation premises or temporary storage premises and has been increased from \$25,000 to \$50,000 for other covered locations.
3. Electronic Data Processing Equipment and Data and Media have been added to the items covered under the Appurtenant Buildings and Structures Coverage Extension.

RESTRICTIVE FEATURES OF PROPERTY EXTRA PLUS ENDORSEMENT (CP T3 63 01 03)

1. The following items are no longer covered under this endorsement: Retaining walls, foundations, outside signs, and radio and television antennas (including microwave or satellite dishes).
2. The Limit of Insurance under the Money and Securities Coverage Extension for money or securities in the custody of a messenger has been reduced from \$25,000 to \$5,000. In addition, exclusions have been added for accounting or arithmetical errors, voluntary parting with the property, and loss of money contained in any money operated device, under certain circumstances.

3. The Architect, Engineering or Consulting Fees Additional Coverage is no longer provided under this endorsement.
4. The Extended Warranties for Personal Property Coverage Extension is no longer provided under this endorsement.
5. The Additional Coverage Extension for Water Damage is no longer provided under this endorsement.

BROADENED FEATURES OF TECHNOLOGY PROPERTY EXTRA ENDORSEMENT (CP T3 66 01 03)

1. The Fire Protective Equipment Discharge Additional Coverage has been increased from \$10,000 to \$15,000.
2. The Property Off-Premises Coverage Extension for locations other than installation premises or temporary storage premises has been increased from \$25,000 to \$50,000.
3. The Outdoor Property Coverage Extension has been increased from \$25,000 to \$30,000.
4. The Duplicate "Electronic Data Processing Data and Media" Coverage Extension has been increased from \$10,000 to \$20,000.
5. The Electronic Data Processing Equipment and Data and Media – Limited Coverage Extension has been increased from \$10,000 to \$25,000.
6. Electronic Data Processing Equipment and Data and Media have been added to the items covered under the Appurtenant Buildings and Structures Coverage Extension.
7. Electronic Data Processing Equipment has been added to the items covered under the Overseas Business Travel Coverage Extension.

RESTRICTIVE FEATURES OF TECHNOLOGY PROPERTY EXTRA ENDORSEMENT (CP T3 66 01 03)

None

BROADENED FEATURES OF BRANDS AND LABELS ENDORSEMENT (CP 04 01 10 00)

1. This endorsement permits the insured to stamp "salvage" on merchandise that is being taken by the insurer, or remove the brands or labels, subject to certain conditions. Coverage is now included for the costs incurred in performing either of these activities. This coverage does not increase the applicable Limit of Insurance.

RESTRICTIVE FEATURES OF BRANDS AND LABELS ENDORSEMENT (CP 04 01 10 00)

None

BROADENED FEATURES OF ORDINANCE OR LAW COVERAGE ENDORSEMENT (CP 04 05 10 00)

None

RESTRICTIVE FEATURES OF ORDINANCE OR LAW COVERAGE ENDORSEMENT (CP 04 05 10 00)

1. Coverage under this endorsement now only applies in response to the minimum requirements of an ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered.



NOTICE TO POLICYHOLDERS JURISDICTIONAL INSPECTIONS

Dear Policyholder;

Many states and some cities issue certificates permitting the continued operation of certain equipment such as boilers, water heaters, pressure vessels, etc. Periodic inspections are normally required to renew these certificates. In most jurisdictions, insurance company employees who have been licensed are authorized to perform these inspections.

If:

- You own or operate equipment that requires a certificate from a state or city to operate legally, and
- We insure that equipment under this Policy, and
- You would like us to perform the next required inspection;

Then:

Call this toll-free number – **1-800-425-4119**

When you call this number, our representative will ask you for the following information:

- Name of your business (as shown on this Policy)
- Policy Number
- Location where the equipment is located. Including Zip Code.
- Person to contact and phone number for scheduling of inspection
- Type of equipment requiring inspection
- Certificate inspection date and certificate number

Or;

Fill in the form on the reverse side of this notice and fax it to the toll-free number indicated on that form.

Please note the following:

- Your jurisdiction may charge you a fee for renewing a certificate. It is your responsibility to pay such a fee.
- All the provisions of the INSPECTIONS AND SURVEYS Condition apply to the inspections described in this notice.

REMINDER

If new equipment is installed or old equipment replaced that requires a jurisdictional inspection please let us know by calling our toll-free number listed above.

REQUEST FOR JURISDICTIONAL INSPECTION

Name of Business: _____ (As Shown on Policy)

Policy Number: _____

Location of Equipment: _____

City _____ **State** _____ **Zip Code** _____

Person to Contact for Scheduling Inspection: _____

Telephone Number of Person to Contact: _____

Fax Form to 1-877-764-9535

Completed by: _____ Date: _____ Phone Number: _____

POLICY CHANGE ENDORSEMENT - FOR CERTAIN TYPES OF CHANGES ONLY

The St Paul

This endorsement summarizes certain changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

The following item(s):

- Insured's Name
- Policy Number
- Effective/Expiration Date
- Payment Plan
- Additional Interested Parties
- Limits/Exposures
- Covered Property/Location Description
- Rates

- Insured's Mailing Address
- Company
- Insured's Legal Status/ Bus. of Insured
- Premium Determination
- Coverage Forms and Endorsements
- Deductibles
- Classification/Class Codes
- Underlying Insurance

is (are) changed to read: (See also back page and additional page(s) if applicable)

It is hereby understood and agreed that endorsement no 002, Floating Dock Schedule is deleted in its entirety.

**Premium Change Which Is Due Now**

No change To be adjusted at audit

Additional premium

Returned premium

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Authorized representative

Policy issued to:

AFC SOUTH, INC. DBA ROCK HARBOR MARINE

Endorsement takes effect:

04/27/10

Policy number:

OH01200339

Processing date: 06/04/10 09:59 003



**POLICY CHANGE ENDORSEMENT - FOR CERTAIN TYPES OF
CHANGES ONLY**

OO2

OO1

* 2 C 002 OH01200339 17997 * M:

This endorsement summarizes certain changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

The following item(s):

- Insured's Name
- Policy Number
- Effective/Expiration Date
- Payment Plan
- Additional Interested Parties
- Limits/Exposures
- Covered Property/Location Description
- Rates

- Insured's Mailing Address
- Company
- Insured's Legal Status/ Bus. of Insured
- Premium Determination
- Coverage Forms and Endorsements
- Deductibles
- Classification/Class Codes
- Underlying Insurance

is (are) changed to read: (See also back page and additional page(s) if applicable)

Per the attached forms OMOH0500.



Premium Change Which Is Due Now

No change To be adjusted at audit

Additional premium

Returned premium

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Authorized representative

Policy issued to:

AFC SOUTH, INC. DBA ROCK HARBOR MARINE

Endorsement takes effect: Policy number:

04/27/10

OH01200339

Processing date: 06/01/10 12:22 002



FLOATING DOCK SCHEDULE

	Description	Limit
1.	Dock A - Covered with metal roof, steel frames, wood deck on foam 12 slips w/30' x 3' fingers 20 slips w/26' x 3' fingers 20 slips w/46' x 3' fingers	\$1,148,000.
2.	Dock B (adjacent to fuel piers) - Covered with metal roof, steel frames, wood deck on foam 12 slips w/30' x 3' fingers	\$ 303,000.
3.	Marina Store/Barge Contents	\$ 150,000. \$ 10,000.
4.	Dock E - Covered with metal roof, steel frames, wood deck on foam 36 slips w/25' x 3' fingers	\$ 435,000.
5.	Dock G - Covered with metal roof, steel frames, wood deck on foam 8 slips w/55' x 3' fingers 10 slips w/46' x 3' fingers 7 slips w/36' x 3' fingers	\$ 630,000.
6.	Dock H - Covered with metal roof, steel frames, wood deck on foam 4 slips w/34' x 3' fingers 8 slips w/36' x 3' fingers 10 "outside" slips w/36' x 3' fingers	\$ 452,000.
7.	Dock I - Covered w/metal roof, steel frames, wood deck on foam 6 slips w/25' x 3' fingers 12 slips w/46' x 3' fingers	\$ 277,000.
8.	Fuel Dock and Pier	\$ 441,000.
9.	Restaurant Dock w/Transient Slips	\$ 460,000.
10.	Mis. Walkways	\$ 84,000.
		\$4,390,000.
	Business Income	\$300,000

Name of Insured: AFC SOUTH, INC. DBA ROCK HARBOR MARINE Policy Number: OH01200339 Effective Date: 04/27/10
 Processing Date: 06/01/10 12:22 002

OMOH0500 Ed. 7-05 Customized Form
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NAMED INSURED/MORTGAGEE**Named Insured:**

Arch Kelly

Mortgagee:

First Bank
Sandy Stepp
P. O. Box 1639
Lexington, KY 38351

**Name of Insured**

AFC SOUTH, INC. DBA ROCK HARBOR MARINE

Policy Number OH01200339**Effective Date** 04/27/10**Processing Date** 06/01/10 12:22 002

OMOH0500 Ed. 7-05

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Customized Form

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DISCLOSURE NOTICE TERRORISM RISK INSURANCE ACT OF 2002

On December 26, 2007, the President of the United States signed into law amendments to the Terrorism Risk Insurance Act of 2002 (the "Act"), which, among other things, extend the Act and expand its scope. The Act establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in the Act) caused by "acts of terrorism". An "act of terrorism" is defined in Section 102(l) of the Act to mean any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The federal government's share of compensation for Insured Losses is 85% of the amount of Insured Losses in excess of each Insurer's statutorily established deductible, subject to the "Program Trigger", (as defined in the Act). In no event, however, will the federal government or any Insurer be required to pay any portion of the amount of aggregate Insured Losses occurring in any one year that exceeds \$100,000,000,000, provided that such Insurer has met its deductible. If aggregate Insured Losses exceed \$100,000,000,000 in any one year, your coverage may therefore be reduced.

The premium charge shown below is for coverage under this policy for insured losses covered by the Act. This terrorism premium does not include any charges for the portion of insured losses covered by the federal government under the Act.

If \$0 is shown below for the certified acts of terrorism premium charge, this policy provides such terrorism coverage for no premium charge.

The certified acts of terrorism premium charge shown below applies to all coverage under this policy for Insured Losses covered by the Act that you purchased for a premium charge. For any insuring agreement or coverage part for which you did not purchase such terrorism coverage, this policy may include one or more terrorism exclusions that apply to certified acts of terrorism. Under the federal Terrorism Risk Insurance Program Reauthorization Act of 2007, the applicable definition of certified acts of terrorism no longer requires that the act of terrorism be committed on behalf of a foreign person or foreign interest. Therefore, each such exclusion is not limited to an act of terrorism committed on behalf of a foreign person or interest.

Name of Insured: AFC SOUTH, INC. DBA ROCK HARBOR MARINE

Policy Number: OH01200339

Effective Date: 04/27/10

Certified Acts Of Terrorism Premium Charge: \$1,113.

Processing Date: 05/14/10 15:44 001



TRAVELERS

Policy Number 01200339

Former Policy Number:

INSURANCE IS PROVIDED BY THE COMPANY DESIGNATED BELOW

St. Paul Fire & Marine Insurance Company
A CAPITAL STOCK COMPANY HEREIN CALLED THE COMPANY

DECLARATIONS

NAME AND ADDRESS OF INSURED

AFC SOUTH, INC. DBA ROCK HARBOR MARINE
525 BASSWOOD AVENUE
NASHVILLE, TN 37209

NAME AND ADDRESS OF AGENCY

ANCHOR INSURANCE AGENCY
12211 OLD SHELBYVILLE R.
LOUISVILLE KY 40243

BUSINESS DESCRIPTION:

INDIVIDUAL PARTNERSHIP LIMITED LIABILITY COMPANY CORPORATION OTHER

From: April 27, 2010 To: April 27, 2011 12:01 A.M. Standard Time at your mailing address

COVERAGE	PREMIUM
Docks & Piers	\$38,212.

TOTAL PREMIUM		\$38,231.
SURCHARGE AND/OR SURTAX	AMOUNT	
N/A	N/A	
PAY PLAN:	<input type="checkbox"/> Annual <input type="checkbox"/> 2 Pay <input type="checkbox"/> 4 Pay <input checked="" type="checkbox"/> 10 Pay <input type="checkbox"/> OTHER	

THE "POLICY FORMS LIST" SHOWS ALL THE FORMS INCLUDED WHEN THIS POLICY BEGINS.

LOSS, IF ANY, PAYABLE TO

Assured for Order

ASSOCIATION OF SOUTHERN CALIFORNIA JEWISH COMMUNITIES

IN WITNESS WHEREOF, the Company designated on the Declarations page has caused this Policy to be signed by its President and Secretary and countersigned on the Declarations page by a duly authorized representative of the Company.


D. M. Dohberg
Secretary

Secretary

Brian MacLean
President

President

Countersigned Date

Countersigned At

Authorized Representative

OMGE0001 Rev. 12-08
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POLICY FORM LIST

The St Paul

Here's a list of all forms included in your policy, on the date shown below. These forms are listed in the same order as they appear in your policy.

Title	Form Number	Edition Date
Disclosure Notice Terrorism Risk Insurance Act Of 2002 Declarations	D0100	03-09
Policy Form List	OMGE0001	12-08
AIMU - Chemical, Biological, Bio-Chemical And Electromagnetic Exclusion Clause (3/1/03)	40705	05-84
AIMU - Extended Radioactive Contamination Exclusion Clause (3/1/03)	OMGE0101	03-03
CAP On Losses From Certified Acts Of Terrorism Endorsement	D0144	01-08
Docks And Piers Property Protection Coverage Summary	CP067	11-09
Docks And Piers Property Protection	CP066	11-09
CANCELLATION	OMGE0500	07-05

* 6 C 0 0 0 2 OH01200339 17861 * M:



Name of Insured	Policy Number OH01200339	Effective Date 04/27/10
AFC SOUTH, INC. DBA ROCK HARBOR MARINE	Processing Date 05/14/10 15:44:001	

40705 Ed.5-84 Printed in U.S.A.
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Form List

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CC: 000 D628

**AIMU
CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, AND
ELECTROMAGNETIC EXCLUSION CLAUSE**

(March 1, 2003)

OO1
OOI: 000 T: 001

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to or arising from an actual or threatened act involving a chemical, biological, bio-chemical or electromagnetic weapon, device, agent or material when used in an intentionally hostile manner.

* 6 C 000 2 OHO1200339 17863 * M:



Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Name of Insured	Policy Number	Effective Date
AFC SOUTH, INC. DBA ROCK HARBOR MARINE	OHO1200339	04/27/10
		Processing Date 05/14/10 15:44 001

OMGE0100 Ed. 3-03

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**AIMU
EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE
WITH U.S.A. ENDORSEMENT**

(March 1, 2003)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:
 - 1.1 ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific, or other similar peaceful purposes.

**RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE
(U.S.A. ENDORSEMENT)**

This insurance is subject to the Extended Radioactive Contamination Exclusion Clause (March 1, 2003) provided that

if fire is an insured peril

and

where the subject matter insured or, in the case of a reinsurance, the subject matter insured by the original insurance, is within the U.S.A., its islands, onshore territories or possessions

and

a fire arises directly or indirectly from one or more of the causes detailed in Sub-Clauses 1.1, 1.2, and 1.4 of the Extended Radioactive Contamination Exclusion Clause March 1, 2003 any loss or damage arising directly from that fire shall, subject to the provisions of this insurance, be covered, EXCLUDING however any loss damage liability or expense caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

Name of Insured	Policy Number	Effective Date
AFC SOUTH, INC. DBA ROCK HARBOR MARINE	OH01200339	04/27/10
		Processing Date 05/14/10 15:44 001

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM ENDORSEMENT

This endorsement changes any and all property or other first-party protection and any and all liability protection provided by your policy, other than any of the following provided by your policy:

- Coverage that is changed by an exclusion that applies to certified acts of terrorism.
- Commercial auto coverage.
- Commercial crime coverage.
- Coverage that has Professional Liability in the title of that insuring agreement.

How Coverage Is Changed

There are two changes which are explained below.

1. The following is added to your insuring agreement. This change can limit coverage for losses arising out of certified acts of terrorism if such losses are otherwise covered by your policy.

If aggregate insured losses attributable to certified acts of terrorism exceed \$100 billion in a Program Year (January 1 through December 31), and we have met our insurer deductible under the Terrorism Risk Insurance Act:

- we won't be responsible for the payment of any portion of the amount of such losses that exceeds \$100 billion; and
- insured losses up to \$100 billion will be subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal

Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a certified act of terrorism include the following:

- The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - The act is a violent act or an act that is dangerous to human life, property, or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this policy.

Other Terms

All other terms of your policy remain the same.

**DOCKS AND PIERS PROPERTY PROTECTION
COVERAGE SUMMARY**

This Coverage Summary shows the description and location of covered property, limits of coverage, deductibles, and other applicable terms and conditions that apply to the Docks And Piers Property Protection.

Description and location of covered property

AFC South, Inc. DBA Rock Harbor
525 Basswood Dr.
Nashville, TN 37209

Docks: A, B, Marina Store/Barge, E, G, H, I Fuel Dock/Pier, Restaurant Dock
w/Transient Slips, Walkways

Limit Of Coverage \$4,390,000.

Blanket

Valuation Actual Cash Value Replacement Cost

Coinsurance: 90 %

Deductibles

Each event deductible... \$10,000.

Optional deductibles: (If no amounts are shown, the Each event deductible applies.)

Ice deductible... \$10,000.

Wind or hail deductible. \$10,000.

Optional Exclusions / indicates applicable)

Ice.

Wind or hail.

Name of Insured

Policy Number OH01200339

Effective Date 04/27/10

AFC SOUTH, INC. DBA ROCK HARBOR MARINE

Processing Date 05/14/10 15:44 001

CP067 Rev. 11-09

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Coverage Summary

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Optional Coverages (indicates applicable)

Business Income And Extra Expense Coverage

Business income and extra expense limit. \$300,000.

Business income and extra expense deductible. 72 hours days

Business income and extra expense coinsurance 1/4 %

Earthquake Or Volcanic Eruption Coverage

Earthquake or volcanic eruption limit. \$

Earthquake or volcanic eruption deductible.

Flood Or Surface Water Coverage

Flood or surface water limit. \$4,390,000.

Flood or surface water deductible. \$25,000.

Other - describe:

Additional Benefits/Terms: (Docks/Piers).

Debris Removal -- 25%

DOCKS AND PIERS PROPERTY PROTECTION

The Company hereinafter referenced is St. Paul Fire and Marine Insurance Company, which is a capital stock company based in St. Paul, Minnesota.

Insured as hereinafter referenced is the Named Insured set forth in the Declarations as well as listed under the Insured section.

The Section or Clause titles or headings are for reference only and have no bearing on the interpretation of the Sections or Clauses. All Sections or Clauses should be read carefully to determine their actual meaning.

In consideration of payment of premium as set forth in the Declarations, and subject to the statements in the Declarations and all the Terms, Conditions, Exclusions and Limits of Liability, this Company agrees with the Named Insured as follows.

What This Agreement Covers

The description of covered property, the limits of coverage, and other applicable terms and conditions are shown in the Coverage Summary.

Covered Causes of Loss

The Company will provide coverage for accidental, direct, physical loss or damage from any external cause to covered property except as specifically excluded in this policy.

Limits of Coverage

The limits that apply to each coverage are shown on the Coverage Summary. These limits are the most the Company will pay under these coverages for any one loss, regardless of the number of insureds, property owners, covered items, or financial interests that are involved, or how many claims are made.

If there is no limit shown for any particular coverage, then there is no coverage under this agreement for that coverage.

The limit of coverage can't be accumulated from year to year, no matter how long this policy is in effect, or how many premiums the Insured pays.

Property Covered

Property Covered includes:

- docks;
- piers;
- wharves;
- moorages; and
- other property that's described in the Coverage Summary at the locations shown in the Coverage Summary.

Property Not Covered

This Company won't cover watercraft or watercraft-related property under this agreement.

Additional Coverages

All of the following additional coverages are included. Unless otherwise indicated, these additional coverages are not in addition to the limits of coverage shown in the Coverage Summary.

Collapse

The Company will cover direct physical loss of or damage to covered property caused by collapse when the collapse is caused by any of the following:

- Fire, smoke, lightning, explosion, vehicles, aircraft, vandalism, malicious mischief, civil disturbance, riot, sprinkler leakage, sinkhole collapse, volcanic action.
- Wind or hail, unless the Coverage Summary indicates that the Wind or hail exclusion is applicable.
- Falling objects, weight of snow or sleet, water damage.
- Weight of ice, unless the Coverage Summary indicates that the ice exclusion is applicable.
- Decay that's hidden from view, unless the presence of such decay is known or should have been known to an insured prior to collapse.
- Insect or vermin damage that's hidden from view, unless the presence of such damage is known or should have been known to an insured prior to collapse.
- Weight of people, business, personal property, or other personal property.
- Weight of rain that collects on a roof.

Insuring Agreement

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- Use of defective material or methods in construction, remodeling, or renovation if the collapse occurs before such work is completed.

Debris Removal:

If covered property sustains direct physical loss or damage caused by a covered cause of loss, the Company will pay up to 25% of:

- the amount paid for direct physical loss or damage; plus,
- the amount of any applicable deductible for the cost of removing debris of such property. The cost of removing debris won't be included when applying the coinsurance rule.

If debris removal costs exceed the 25%, or if the total amount of loss paid and debris removal costs combined exceed the limit of coverage that applies, the Company will also pay up to an additional \$25,000 for debris removal per location in each loss event. For example:

A fire causes a loss of \$50,000 to a Covered dock. The limit of coverage for the damaged dock is \$100,000. The debris removal costs total \$15,000. The Insured has a \$1,000 deductible that applies. Here's is how the Company will determine what will be paid for the debris removal costs.

Paid loss of \$50,000. (loss of \$49,000 plus \$1,000 deductible) x 25% = \$12,500, the debris removal limit for this loss. Since the debris removal costs of \$15,000 exceed the \$12,500 limit, the Company will pay the remaining \$2,500 debris removal cost under the additional \$25,000 of debris removal coverage. In this example, the Company would pay the full \$15,000 of debris removal costs. However, if the debris removal cost had been \$40,000 the Company would only pay \$12,500 + \$25,000 for a total of \$37,500.

A higher additional limit may be purchased. If so, the revised limit will be shown in the Coverage Summary.

The Company will not pay for any damaged property that must be removed only because of the enforcement of any ordinance, regulation, or law that requires the Insured or anyone else to:

- test for, monitor, clean up, remove;

- contain, treat, detoxify, neutralize; or
 - in any way respond to, or assess the effects of;
- pollutants, mold or other fungi, wet or dry rot, or bacteria.

The Company will not pay for the debris removal of property that is a pollutant and must be removed from water or land.

The Company will only pay debris removal expenses that are reported in writing within 180 days of the date of direct physical loss or damage to covered property.

Coverage Territory:

The Company will cover property in the United States of America, its territories and possessions, Canada, and Puerto Rico.

Exclusions – Losses Not Covered:

When the Company uses the word loss in this section it also means damage.

Acts or decisions. The Company will not cover loss caused by or resulting from any act or decision or by the failure to act or decide, of any person, group, organization, or unit of government. If a loss not otherwise excluded results, the Company will pay for that resulting loss.

Cancellation of contracts. The Company will not cover any increase in loss that's caused by the suspension, lapse, or cancellation of any lease, license, contract, or order.

However, if the suspension, lapse, or cancellation results directly from the interruption of your business, the Company will cover any increase in a covered loss that affects your earnings; but will only pay for such increase during the period of restoration.

The Company will not cover any extra expense caused by or resulting from suspension, lapse, or cancellation of any license, lease, contract, or order beyond the period of restoration.

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to the optional Business Income and Extra-Expense coverage.

Collapse. The Company will not cover loss caused by or resulting from collapse. The Company also will not cover loss caused by

or resulting from the abrupt falling down or caving in of any portion of covered property.

But this exclusion doesn't apply to the Collapse additional coverage.

Contamination. The Company will not cover loss caused by or resulting from any kind of contamination of your covered property.

Because contamination could involve pollutants, or nuclear reaction, nuclear radiation, or radioactivity, this exclusion applies in addition to any pollution exclusion or nuclear activity exclusion that applies and is in or made part of this agreement.

If a loss not otherwise excluded results, the Company will pay for that resulting loss.

Defects or errors. The Company will not cover loss caused by or resulting from:

- defects or errors in the materials, design, development, distribution, processing, manufacturing, workmanship, testing, installation, alteration, or repair of covered property;
 - errors in systems programming; or
 - errors in instructions to a machine.

If a loss not otherwise excluded results we'll pay for that resulting loss.

Earth movement. The Company will not cover loss caused directly or indirectly by any earth movement, whether natural or man-made, including the following:

- Earthquake, unless the Coverage Summary indicates that Earthquake or Volcanic Eruption coverage applies.
 - Landslide, including any earth sinking, rising, or shifting related to such event.
 - Mine subsidence.
 - Earth sinking, rising, or shifting including soil conditions which cause settling, cracking, or other disarrangement of foundations or other parts of realty. Earth sinking doesn't include sinkhole collapse.
 - Volcanic eruption, unless the Coverage Summary indicates that Earthquake or Volcanic Eruption coverage applies.

Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

However, the Company will cover loss caused by sudden sinking or collapse of the

earth into a sinkhole supporting covered property.

If fire or explosion results from earthquake, landslide, mine subsidence, earth sinking, rising, or shifting, the Company will pay for that resulting loss.

If volcanic eruption results in fire, or volcanic action, the Company will pay for the loss or damage caused by that fire, or volcanic action; but will not pay the cost to remove ash, dust, or particulate matter that does not cause direct physical loss or damage to covered property. The Company will not consider covered property to have sustained direct physical loss or damage when the only evidence of such loss or damage is the mere presence of volcanic ash in, on, or near such property.

If more than one earth movement or volcanic eruption occurs within any 168-hour period, this will be considered as one event.

This exclusion applies regardless of whether the loss event results in widespread damage or affects a substantial area.

Flood or surface water. Unless the Coverage Summary indicates that Flood Or Surface Water coverage applies, the Company will not cover loss caused directly or indirectly by any of the following, whether from natural or man-made sources:

- Flood.
 - Mudslide or mudflow.
 - Surface water.
 - Water, water-borne material, or sewage that backs up, flows, or overflows from a sewer or drain.
 - Water, water-borne material, or sewage that backs up, flows, overflows, leaks, or discharges from a sump, sump pump, sump pump system, or a similar system or device designed to prevent overflow, seepage, or leakage of subsurface water, water-borne material, or sewage.
 - Underground water, water-borne material, or sewage that exerts pressure on, flows, or seeps through a foundation, wall, basement, floor, door, window, or other opening, sidewalk, driveway or other paved surface.

Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

If fire, explosion, or sprinkler leakage results, the Company will pay for that resulting loss.

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

Governmental action. The Company will not cover loss caused directly or indirectly by:

- seizure, or confiscation of property by any government or public authority; or
- destruction of property under quarantine or customs regulation.

Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

But this exclusion won't apply to property destroyed by a civil authority in order to stop the actual spread of fire when such fire is otherwise covered by this agreement.

This exclusion applies regardless of whether the loss event results in widespread damage or affects a substantial area.

Indirect loss. The Company will not cover loss caused by or resulting from:

- delay;
- loss of market;
- loss of use; or
- any indirect loss.

But this exclusion doesn't apply to the optional Business Income and Extra Expense coverage.

Mechanical breakdown. The Company will not cover loss caused by or resulting from:

- mechanical breakdown or failure;
- derangement of mechanical parts; or
- rupture or bursting caused by centrifugal force.

If loss from fire, smoke, lightning, explosion, vehicles, aircraft, vandalism, malicious mischief, civil disturbance, riot, sprinkler leakage, sinkhole collapse, volcanic action, falling objects, weight of snow or sleet, or water damage results, the Company will pay for that resulting loss.

The Company will also cover loss from:

- wind or hail, unless the Coverage Summary indicates that the Wind or hail exclusion is applicable; or
- weight of ice, unless the Coverage Summary indicates that the Ice exclusion is applicable.

Nuclear activity. The Company will not cover loss caused directly or indirectly by nuclear

reaction, nuclear radiation, or radioactive contamination. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. If fire results, the Company will pay for that resulting loss.

This exclusion applies regardless of whether the loss event results in widespread damage or affects a substantial area.

Ordinances, regulations, or laws. The Company will not cover loss caused directly or indirectly by the enforcement of any ordinance, regulation, or law governing the use, construction, repair, or demolition of any property. This includes removal of debris. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

This exclusion applies whether the loss results from:

- an ordinance or law that is enforced even if the covered property has not been damaged; or
- the increased costs are incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of covered property, or the removal of the debris, following a physical loss to covered property.

This exclusion applies regardless of whether the loss event results in widespread damage or affects a substantial area.

However, this exclusion doesn't apply to the Debris Removal additional coverage.

Planning, design, materials, maintenance. We won't cover loss caused by or resulting from faulty, inadequate, defective, or lack of:

- planning, zoning, development, surveying, siting;
- design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- materials used in repair, construction, renovation or remodeling; or
- maintenance.

All of the above apply to part or all of any property on or off of a covered location.

If loss from fire, smoke, lightning, explosion, vehicles, aircraft, vandalism, malicious mischief, civil disturbance, riot, sprinkler leakage, sinkhole collapse, volcanic action, falling objects, weight of snow or sleet results, we'll pay for that resulting loss.

We'll also cover loss from:

- wind or hail, unless the Coverage Summary indicates that the Wind or hail exclusion is applicable; or
- weight of ice, unless the Coverage Summary indicates that the Ice exclusion is applicable.

Pollution. The Company will not cover loss caused by or resulting from pollution.

Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

This exclusion does not apply to loss caused by or resulting from pollution, other than the existence of asbestos in any form, if the pollution is caused by or results from any of the following causes of loss:

- Fire.
- Lightning.
- Explosion.
- Wind, unless the Coverage Summary indicates that the Wind or hail exclusion is applicable.
- Hail, unless the Coverage Summary indicates that the Wind or hail exclusion is applicable.
- Smoke.
- Vehicles.
- Aircraft.
- Civil disturbance.
- Riot.
- Vandalism.
- Sewer backup.
- Sprinkler leakage.
- Sinkhole collapse.
- Volcanic action.
- Falling objects.
- Weight of snow or sleet.
- Weight of ice, unless the Coverage Summary indicates that the Ice exclusion is applicable.
- Water damage.

The Company will not pay for the costs associated with the enforcement of any ordinance, regulation, or law that requires the Insured or anyone else to:

- test for, monitor, clean up, remove;
 - contain, treat, detoxify, neutralize; or
 - in any way respond to, or assess the effects of;
- pollutants, mold or other fungi, wet or dry rot, or bacteria.

Settling, smog. The Company will not cover loss caused by or resulting from:

- settling, cracking, bulging, shrinking, or expansion;
- smog; or
- smoke, vapor, or gas from agricultural or industrial operations.

If a loss not otherwise excluded results, the Company will pay for that resulting loss.

Strike. The Company will not cover any increase in loss due to delay caused by strikers or anyone else at the location of rebuilding, repairing, or replacing damaged property when it interferes with efforts to resume business.

However, the Insured can recover for an increase in a covered loss when a strike on another person's premises prevents resuming the Insured's business.

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to the optional Business Income and Extra Expense coverage.

Utility failure. The Company will not cover loss caused directly or indirectly by the failure of power or other utility service supplied to a covered location if the disruption of service occurs away from that location. The Company will consider a lack of sufficient capacity, a reduction in supply, or a fluctuation of power or other utility, to be a failure of power or other utility service.

Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

If a loss not otherwise excluded results, the Company will pay for that resulting loss.

This exclusion applies regardless of whether the loss event results in widespread damage or affects a substantial area.

Voluntary surrender. The Company will not cover loss caused by or resulting from covered property that is voluntarily sold or given to someone who obtains it by trick, device, false pretense, or other fraudulent schemes.

War. The Company will not cover loss caused directly or indirectly by:

- war (whether declared or undeclared), or civil war, including anything done to hinder or defend against an actual or expected attack;

- warlike action by a military force, government sovereign or other authority, using military personnel or other agents, including anything done to hinder or defend against an actual or expected attack;
- invasion, insurrection, rebellion, revolution, or seizure of power, or anything done to hinder or defend against such actions.

Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

This exclusion applies regardless of whether the loss event results in widespread damage or affects a substantial area.

Wear, tear, deterioration, animals. The Company will not cover loss caused by or resulting from:

- wear and tear;
- deterioration, mold, wet or dry rot, rust, or corrosion;
- shrinkage, evaporation, loss of weight;
- changes in flavor, color, texture, or finish;
- nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals, or aquatic life; or
- the inherent nature of the property.

If loss from fire, smoke, lightning, explosion, vehicles, aircraft, vandalism, malicious mischief, civil disturbance, riot, leakage from fire extinguishing equipment, sinkhole collapse, volcanic action, falling objects, or weight of snow or sleet results, the Company will pay for that resulting loss.

The Company will also cover loss from:

- wind or hail, unless the Coverage Summary indicates that the Wind or hail exclusion is applicable; or
- weight of ice, unless the Coverage Summary indicates that the Ice exclusion is applicable.

Weather conditions. The Company will not cover loss caused by or resulting from weather conditions when such conditions contribute in any way with a cause or event not covered because of the following exclusions:

- Earth movement.
- Governmental action.
- Nuclear activity.
- Ordinances, regulations or laws.
- Utility failure.

- War.
- Water.

If a loss not otherwise excluded results, the Company will pay for that resulting loss.

Optional Exclusions

The following exclusions only apply if the Coverage Summary indicates that the exclusion applies:

Ice. The Company will not cover loss caused by or resulting from ice, including weight of ice.

Wind or hail. The Company will not cover loss caused by or resulting from wind or hail.

Rules For Loss Adjustment

When a loss occurs, the Company will consider the following factors in determining what will be paid:

- Limits Of Coverage
- How Covered Property Is Valued
- Deductible
- Other Insurance

The Company may take over any of the damaged or destroyed property at its agreed or appraised value. The Company can choose to repair, rebuild, or replace the property ourselves provided the Insured is given notice within 30 days after the Company receives proof of loss. The Insured will agree that they will not merely abandon this property to the Company.

How Covered Property Is Valued

The Coverage Summary indicates whether property is insured:

- on an actual cash value basis, or
- on a replacement cost basis.

Property insured on an actual cash value basis. For property insured on an actual cash value basis, the Company will pay the least of the following:

- The actual cash value of the lost or damaged property at the time of loss or damage;
- The amount it would cost to repair or replace the lost or damaged property with similar kind or quality and used for the same purpose; or
- The limit of coverage that applies to the lost or damaged property.

The Company will not pay on a replacement cost basis until lost or damaged property has actually been repaired or replaced.

If replacement cost coverage applies to lost or damaged property, the Insured may choose to have the loss paid on an actual cash value basis. For example:

The amount of insurance on the property may not be enough to comply with the coinsurance rule on a replacement cost basis; or the Insured may decide not to rebuild.

Even if the Insured chooses to have the loss paid on an actual cash value basis, they can change their mind and request that the Company pay the loss on a replacement cost basis. However, the Insured must make such a request in writing within 180 days from the time of the loss.

If covered property is rebuilt at a new location, the Company will only pay the amount that would have been spent if the covered property had been rebuilt at the original location.

The Company will not consider the enforcement of any ordinance, regulation, or law governing the use, construction, repair, or demolition of any property, including removal of debris, to be a part of the cost of repair or replacement.

Deductibles

The deductibles are shown in the Coverage Summary. Unless otherwise specified elsewhere in this agreement, all covered losses are subject to the Each-event deductible. The Insured will be responsible for any deductible amounts that apply in each loss event. The Company will subtract the deductible before applying the Coinsurance rule.

If the amount of otherwise covered loss or damage is less than or equal to the applicable deductible, the Company will not pay for the loss. If the amount of otherwise covered loss or damage exceeds your deductible, the Company will subtract the applicable deductible from the amount of otherwise covered loss and pay the remaining amount, or the applicable limit of coverage, whichever is less.

If more than one coverage or additional coverage under this policy applies to any one loss, the Company will pay the amount of covered loss over the highest deductible amount for any of those coverages up to the limits of applicable coverage.

Coinurance Rule

This coinsurance rule only applies if the Coverage Summary shows a coinsurance percentage for the covered property.

If a percentage is shown, the Company will not pay the full amount of any loss if the value of covered property is more than the calculated minimum amount.

The Company will not include the cost of debris removal in figuring your minimum amount.

What's the minimum amount? The minimum amount is the actual cash value or replacement cost, whichever is indicated in the Coverage Summary, of covered property multiplied by the applicable coinsurance percentage. If this agreement includes more than one limit of coverage, the Company will apply this coinsurance rule separately to the property covered under each limit. For example:

If actual cash value is indicated, the Company will use the actual cash value of all property insured under the same limit of coverage in figuring the minimum amount as shown below:

Actual cash value of dock at time of loss	\$100,000
Coinsurance percentage (80%)	x .80
Minimum amount to insure	\$80,000

Replacement cost coverage may be indicated in the Coverage Summary; however, the Insured can choose to have the loss paid on an actual cash value basis. If you do so, we'll consider the minimum amount to be the actual cash value of the lost or damaged property multiplied by the applicable coinsurance percentage.

Because property values change, The Company will figure the minimum amount at the time of loss or damage to covered property. Therefore, it's important for the Insured to review the amount of coverage periodically to be sure it is complying with this agreement.

How the rule works. If, at the time of loss or damage, the Insured property is covered for the minimum amount or more, this coinsurance rule won't have any effect on what the Company will pay. But the Company will not pay more than the applicable limit shown in the Coverage Summary:

However, if covered property is insured for less than the minimum amount at the time of loss or damage to such property, the Insured have to share in the loss. Here's how it will be determined what the Company will pay and what will be the Insured's share:

The Company will:

- determine the amount of the covered loss less the deductible; and
- divide the amount of coverage on the insured property by the minimum amount it should have had; to arrive at the Company's percentage share of the loss.

Using this calculation, the Company will pay the least of:

- the Company's percentage share of the loss;
- the applicable limit of coverage; or
- 100% of the loss.

The rest is the Insured's share.

Here's an example of how it works:

<i>Amount of loss</i>	\$41,000
<i>Deductible</i>	\$ 1,000
<i>Amount of loss less the deductible</i>	\$40,000
<i>Amount of insurance</i>	\$60,000
<i>Minimum amount of insurance required</i>	\$80,000

$$\frac{\$60,000}{\$80,000} = .75 \times 100 = 75\%$$

$$75\% \text{ of } \$40,000 = \$30,000$$

In this example, the company will pay \$30,000 of the loss. The remaining \$10,000 plus the \$1,000 deductible is the Insured's share.

From this example, it is shown that it's important to keep property insured for at least the coinsurance percentage that has been agreed to. Otherwise, the Company may only pay a part of a Covered loss.

Other Insurance

Other insurance may apply to loss covered under this agreement. If the other insurance is subject to the same terms and conditions as this policy, This Company will pay its pro rata portion of the covered loss or damage. The share will be the same proportion of the loss that the limit of coverage bears to the total of all available limits. If the other insurance more specifically insures the property, this Company will pay the amount of loss covered under this agreement left after the separate policy has been used up, less the deductible under this agreement. But this Company will not pay more than the limit of coverage under this agreement. Excess coverage under this agreement will not apply to the deductible amount of more specific insurance.

Insurance provided under any other policy written by this Company or any affiliated insurance companies. When this agreement and any other insuring agreement in any policy written by this Company or any affiliated insurance companies apply to the same loss, the most this Company will pay for the covered loss is the highest limit of coverage that applies under any one of those agreements.

However, this section does not apply if the other insuring agreement that applies is excess insurance that the Insured bought specifically to apply in excess of the limits of coverage that apply under this agreement.

Adjusting Losses

If there's a covered loss to Insured property, this Company will adjust the loss with the Insured. If there's a covered loss to someone else's property, the Company can choose to either:

- adjust the loss with the Insured for the owner's account; or
- settle directly with the owner.

If the Company chooses to settle with the owner, the owner's release will satisfy any claim the Insured makes for the same loss.

Other Rules for This Agreement

Insured's benefit only. This insurance is for the Insured's benefit. No other person or organization that has temporary possession of Insured property can benefit directly or indirectly from it.

Recovering damages from a third party. The following replaces the Recovering Damages From A Third Party section in the General Rules.

The Insured or other persons or organizations protected under this agreement and to or for whom payment is made under this agreement may also be able to recover from others all or part of such loss for which this Company has made payment. Any such right of recovery, and the proceeds of any settlement or judgment that may result from the exercise of that right, belongs to this Company to the extent of the amount of payment that was made.

For that reason, the Insured and all other persons or organizations protected under this agreement must do all that's possible after the loss to:

- preserve for us any such right of recovery or any such proceeds; and
- cooperate with the Company in any attempt to exercise any such right of recovery.

If the Insured does anything to impair these rights, the Company will not pay for the loss.

However, before any loss, the Insured or any other person or organization protected under this agreement can:

- give anyone a written release from any responsibility for losses to property or
- accept ordinary bills of lading from a shipper, even if they limit the carrier's liability for losses.

But after a loss the Insured can release only:

- a tenant;
- another person with a financial interest in property covered under this policy; or
- any firm or organization that the Insured owns or controls or that owns or controls it.

Unintentional errors in description. Any error the Insured makes in its description of the address of a covered location in any application, statement of values, or other

similar listing of locations submitted to the Company will not affect its rights under this agreement, if such error is not made intentionally and if it is reported to us as soon as practicable after it is discovered. The Company will retain the right to collect any additional or retroactive premium that's applicable due to any such error.

Optional Coverages

Business Income And Extra Expense

If the Coverage Summary indicates that business income and extra expense coverage applies, The Company will cover business income and extra expense as described below. The locations this coverage applies to, limits of coverage, deductible, and coinsurance percentage are shown in the Coverage Summary.

Business income coverage. The Company will pay the actual loss of business income that result from the necessary suspension of the Insured's operations during the period of restoration caused by direct physical loss or damage to property at an insured location. The loss or damage must occur while this agreement is in effect and must be due to a covered cause of loss.

Extended business income coverage. The Company will pay the Insured's business income loss from the date property is actually repaired, rebuilt, or replaced and operations are resumed until the earliest of the following:

- the date the Insured resumes normal business operations; or
- as long as it should reasonably take to repair, rebuild, or replace the damaged property, plus 30 consecutive days.

Alterations, additions, or new construction. The Company will pay for the actual loss of business income due to direct physical loss or damage to alterations, additions, or new construction. This includes direct physical loss or damage to materials and equipment used in construction or intended for use by occupants when work is completed. The material or equipment must be on or within 1000' of a covered location.

If the damage to the construction, materials, or equipment delays the start of the Insured's business operations, The Company will figure the loss from the day operations would have started had no loss occurred.

Extra expense coverage. The Company will pay any extra expense to avoid or minimize

the suspension of business and to continue operations during the period of restoration at:

- the described location; or
- any temporary locations. If the Insured continues operations at a temporary location during the period of restoration, the Company will pay any relocating expenses and cost to equip and operate the replacement or temporary location.

The Company will pay any extra expense to minimize the suspension of the Insured business if operations cannot continue.

Interruption by civil authority. The Company will pay the actual loss of business income and necessary extra expense when a civil authority like a fire department denies access to the described location because of direct physical loss or damage to property by a covered cause of loss other than at the described location. The Company will pay for loss up to two consecutive weeks while access is denied.

Business Income And Extra Expense Rules For Loss Adjustment

When a covered loss occurs, The Company will consider the following in determining what will be paid under this endorsement:

1. Loss determination.
2. The Insured's responsibility for resuming operations.
3. Limits of coverage.
4. Deductible.
5. Business income coinsurance rule.

Loss determination.

Business income. The amount of business income loss will be determined based on:

- the net income of the Insured's business before the direct physical loss or damage occurred;
- the probable net income if no loss or damage had occurred;
- the operating expenses, including payroll expenses, necessary to resume operations with the same quality of service that existed just before the direct physical loss or damage; and
- other sources of information on the Insured business, such as financial records and accounting procedures, bills, invoices, and other vouchers and deeds, liens or contracts.

Extra expense. The Company will cover extra expense for operating when these expenses are over and above what it would normally cost to conduct the Insured's business, had no damage occurred. After the resumption of operations, the Company will deduct the salvage value that remains of any property bought for temporary use during the period of restoration.

The Company will also cover all necessary expenses that reduce the business income loss that otherwise would have been incurred.

Insured's Responsibility for resuming operations.

If the Insured can reduce the loss, by resuming operations at the covered location or elsewhere by using damaged or undamaged property, including merchandise or stock, they agree to do so.

Business income loss. The Company will reduce the amount of the business income loss to the extent the Insured can resume operations in whole or in part by using damaged or undamaged property, including merchandise or stock, at the covered location or elsewhere.

Extra expense loss. The Company will reduce the amount of an extra expense loss to the extent the Insured can return operations to normal and discontinue extra expenses.

Business Income And Extra Expense limits of coverage. The most the Company pay for loss in any one event is the limit shown in the Coverage Summary.

Business Income And Extra Expense deductible. The deductible is shown in the Coverage Summary as a time limit. The time limit is shown in business days or hours.

The Insured will be responsible for this time limit deductible in each event. The Company will pay the rest of the covered loss, up to the limits of coverage that apply.

If more than one deductible applies to a loss, the highest deductible amount will be applied to that loss.

Business income coinsurance rule. The Coinsurance Rule in the Docks And Piers Property Protection doesn't apply to your Business Income coverage. Instead, the following rule applies.

The rate for business income coverage was based on the Insured's promise to insure a certain percentage of business income. This is called the business income coinsurance.

percentage and is shown in the Coverage Summary for each covered location.

When there is a Covered loss, the coinsurance percentage is multiplied by an estimate of the business income that would have been earned in the year following the effective date or anniversary date of the policy. This determines the required amount of insurance. If the limit of the Insured's coverage at the time of the loss is at least the required amount, then the Insured has complied with this rule and it will have no effect on the amount the Company will pay. The Company will pay 100% of a covered loss up to the Insured's limit of coverage.

However, if the limit of coverage at the time of the loss is less than the required amount, the Insured will have to share in the loss. Here's how it will be determined what the Company will pay and what will be the Insured's share:

$$\text{Amount Insured} \times \text{loss} = \text{Amount paid}$$

Required amount

For example:

Suppose the Insured has a covered business income loss of \$40,000 and the business income for the year following the effective date or anniversary date of the policy would have been \$100,000. The business income coinsurance percentage is 80%. The Company will multiply these figures (\$100,000 X .80%) and obtain \$80,000. This is the required amount.

If the limit of insurance is at least \$80,000 of insurance, then the Company will pay 100% of your loss, or \$40,000. However, if you there is only \$60,000 of insurance, the amount paid will be 75% of the loss, or \$30,000.

$$\frac{\$60,000}{\$80,000} = \frac{3}{4} \text{ or } 75\% \times \$40,000 = \$30,000$$

The Company will pay the \$30,000 or the limit of insurance, whichever is less.

From this example, it is shown that it's important to keep the limits insured for business income for at least the percentage that has been agreed to.

Business income coinsurance rule exception. This rule doesn't apply to the extra expense coverage.

Earthquake or Volcanic Eruption

If the Coverage Summary indicates that Earthquake or Volcanic Eruption coverage applies, the Company will pay for direct physical loss or damage to covered property caused by earthquake or volcanic eruption that begins while this Docks and Piers Property Protection coverage is in effect. But the Company will not pay for loss or damage that occurs during the period the policy is in effect if the earthquake or volcanic eruption begins before this period.

If more than one earthquake or volcanic eruption occurs within any 168-hour period, the Company will consider this one event. The 168-hour period will not be shortened by the expiration of the policy.

The limit and deductible for Earthquake or Volcanic Eruption coverage are shown in the Coverage Summary. Covered property and locations are shown in the Coverage Summary under Descriptions and locations of covered property.

Earthquake or Volcanic Eruption limit. The limit shown in the Coverage Summary for earthquake or volcanic eruption is the most the Company will pay for all direct and indirect loss or damage caused by earthquake or volcanic eruption in any one policy year regardless of the:

- number of earthquake or volcanic eruption events;
- amount or type of coverage involved;
- amount or type of covered property involved; or
- number of locations involved.

Earthquake or Volcanic Eruption deductible. The Earthquake or Volcanic Eruption deductible is shown in the Coverage Summary. It will be either a dollar amount or a percentage.

If the Earthquake or Volcanic Eruption deductible is a dollar amount, the Insured will be responsible for that amount in each event.

If the deductible is a percentage, the Company will determine the deductible amount by multiplying the percentage indicated in the Coverage Summary by the total insured values for the location that sustains a covered earthquake or volcanic eruption loss.

If more than one covered location is affected by an earthquake or volcanic

eruption event, this deductible will apply separately to each covered location.

Flood or Surface Water

If the Coverage Summary indicates that Flood or Surface Water coverage applies, the Company will pay for direct physical loss of or damage to covered property caused by flood or surface water.

The limit of this Flood or Surface Water coverage and the deductible for this coverage are shown in the Coverage Summary. Covered property and locations are shown in the Coverage Summary under Descriptions and locations of covered property.

Flood or Surface Water limit. The limit shown in the Coverage Summary for flood or surface water is the most the Company will pay for all direct and indirect loss or damage to covered property caused by flood or surface water in any one policy year regardless of the:

- number of flood or surface water events;
- amount or type of coverage involved;
- amount or type of covered property involved; or
- number of locations involved.

Flood or Surface Water deductible. The Flood or Surface Water deductible is shown in the Coverage Summary. It will be either a dollar amount or a percentage. If the deductible is a dollar amount, the Insured will be responsible for that amount in each flood or surface water event.

If the Flood or Surface Water deductible is a percentage, the Company will determine the deductible amount by multiplying the percentage indicated in the Coverage Summary by the total insured values for the location that sustains a covered flood or surface water loss.

If more than one covered location is affected by a flood or surface water event, this deductible will apply separately to each covered location.

List of Terms With Defined Meanings Shown In This Agreement

This section lists in alphabetical order the terms that have or include defined meanings shown in this agreement. The defined meaning for each of these terms:

Aquatic life means:

- plants;
- animals; or
- organisms, such as barnacles, kelp, seaweed, sea grasses, or zebra mussels, that live in water.

Business day means a day, ending at midnight, that the Insured's business is normally open for business. The first business day or hour begins at the time of loss. The day ends at midnight. However, if the loss occurs after the business has closed for the day, The Company will consider the first day or hour to be the next day or hour on which it would normally be open for business.

Business income means the net income, which is the net profit or loss before income taxes, that would have been earned or incurred and continuing normal operating expenses that are incurred. This includes payroll. For example:

If the Insured business is operating at a profit, the net profit that would have been earned will be added to continuing expenses. However, if the business is not operating at a profit, the net loss that would have been incurred will be subtracted from continuing expenses.

Collapse means an abrupt falling down or caving in of covered property with the result that the covered property cannot be used for its intended purpose.

The Company won't consider any of the following to be in a state of collapse:

- Covered property that's in danger of falling down or caving in.
- Covered property that's standing, even if it has separated from another part of the covered property or shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion.

Earthquake means earth movement due to seismic geologic activity that causes movement in the earth's crust, including any earth sinking, rising, or shifting related to such event.

Extra expense means the necessary expenses incurred during the period of restoration that would not have incurred if there had been no direct physical loss or damage to property caused by a covered cause of loss.

Flood means:

- waves, tides, or tidal water;
- the rising of bodies of water and streams;
- the overflowing or breaking of boundaries of water or streams; or
- spray from any such type of water, regardless of whether driven by wind.

Ice deductible. If an amount is shown in the Coverage Summary for the Ice deductible, the Insured will be responsible for this amount of loss resulting from ice in each event. However, if no amount is shown in the Coverage Summary for the Ice deductible, the Insured will still be responsible for the Each-event deductible.

Inherent nature means a latent defect or any quality in the property that causes it to deteriorate or destroy itself.

Mine subsidence means subsidence of a man-made mine, whether or not mining activity has ceased.

Other insurance means insurance, or the funding of losses, that's provided by or through:

- another insurance company;
- any risk retention group;
- any self-insurance method or program, other than any funded by the Insured and over which this agreement applies; or
- any similar risk transfer or risk management method.

Operations means the Insured's business activities that take place at the locations shown in the Coverage Summary.

Period of restoration means the length of time that:

- begins with the date of direct physical loss or damage due to a covered cause of loss at the covered location; and
- ends on the date when the property at the covered location should be repaired, rebuilt, or replaced with property of the similar quality in a reasonable amount of time.

The period of restoration doesn't include any increased period required due to the enforcement of any ordinance or law.

- governing the use, construction, repair, or demolition of any property; or
- requiring the Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize; or in any way respond to or assess, the effects of pollutants.

The expiration date of this policy won't end the period of restoration.

Pollutant means any solid, liquid, gaseous, or thermal irritant or contaminant, including:

- smoke, vapors, soot, fumes;
- acids, alkalis, chemicals; and
- waste.

Pollution means the actual, alleged, or threatened discharge, dispersal, escape, migration, release, or seepage of any pollutant.

Radioactive contamination includes sudden and accidental contamination caused by:

- nuclear material defined in the Federal Atomic Energy Act, or any of its amendments;
- naturally occurring radioactive material; or
- radiation damage to covered property that results from such contamination.

Sinkhole means an underground empty space created by the action of water on limestone or dolomite.

Sinkhole collapse means the sudden sinking or collapse of land into a sinkhole.

The Company won't consider:

- the cost of filling sinkholes; or
 - sinking or collapse of land into manmade underground cavities;
- to be sinkhole collapse.

Soil conditions includes contraction, expansion, freezing, thawing, erosion, improperly compacted soil, and the action of water under the ground surface.

System or appliance, with respect to the defined term water damage, means an instrument or device and its related parts, designed and used for the purpose of plumbing, heating, air conditioning or refrigeration. It doesn't include any part of a sump system or roofing system.

Surface water means water which accumulates or flows on the surface of the ground, and is created by natural causes such as rain, melted snow, or rising springs, but which follows no defined watercourse and does not gather into or form a natural body of water.

Total insured value means the sum of the coverage limits for all:

- covered property; and
- time element coverage.

Volcanic action means:

- airborne volcanic blast, airborne shock waves;
 - ash, dust, or particulate matter; or
 - lava flow;
- resulting from eruption, explosion, or effusion of a volcano.

Volcanic action does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss or damage to covered property.

Volcanic eruption includes the explosion or effusion of a volcano.

Waste includes materials to be recycled, reconditioned, or reclaimed.

Watercraft includes:

- vessels;
- work boats; and
- dredges;

regardless of whether self-propelled, that are designed for use on water or just above the surface of water.

Watercraft-related property means:

- motors;
 - equipment; and
 - accessories;
- used in connection with watercraft.

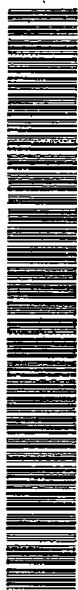
Water damage means the accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance, other than a sump system, containing water or steam.

Wind or hail deductible: If an amount is shown in the Coverage Summary for the Wind or hail deductible, the Insured will be responsible for this amount of loss resulting from wind or hail in each event. However, if no amount is shown in the Coverage Summary for the Wind or hail deductible, the Insured will still be responsible for the Each-event deductible.

CANCELLATION

-
- a. This policy may be cancelled at any time of the Assured's request, or by the Company, by giving 30 days written notice of such cancellation; if at the option of this Company pro rata rates, if at the request of this Assured short rates will be charged. The Assured and the Company may mutually agree in writing on another cancellation date.
 - b. In event of non-payment of premium 30 days after attachment, or of any additional premium when due, this Policy may be cancelled by the Underwriters upon 10 days written or telegraphic notice sent to the Assured at his last known address or in care of the broker who negotiated this Policy. Such proportion of the premium, however, as shall have been earned up to the time of cancellation shall be payable.

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Name of Insured

AFC SOUTH, INC. DBA ROCK HARBOR MARINE

Policy Number OH01200339**Effective Date** 04/27/10**Processing Date** 05/14/10 15:44 001

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Customized Form

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